FOREIGN AFFAIRS

AN AMERICAN QVARTERLY REVIEW

JANVARY

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FOREIGN AFFAIRS

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ASSURING STRATEGIC STABILITY IN AN ERA OF DÉTENTE

By Paul H. Nitze

EVEN though the translation of the Vladivostok Accord on strategic arms into a SALT II Treaty has not yet been resolved, I believe it is now timely to take stock of the strategic arms balance toward which the United States and the Soviet Union would be headed under the terms of such a treaty. To that end it is necessary to raise certain basic questions about the maintenance of strategic stability—in terms of minimizing both the possibility of nuclear war and the possibility that nuclear arms may be used by either side as a means of decisive pressure in key areas of the world.

It appears to be the general belief that while such strategic stability may not be assured by the SALT agreements, it is not and will not be substantially endangered—that on the contrary it has been furthered by the SALT negotiations and agreements since 1969—and that in any event the best hope of stability lies in further pursuit of negotiations with the aim of reducing the level of strategic weapons and delivery systems on both sides. Unfortunately—and to the profound regret of one who has participated both in the SALT negotiations and in a series of earlier U.S. decisions designed to stabilize the nuclear balance—I believe that each of these conclusions is today without adequate foundation.

On the contrary, there is every prospect that under the terms of the SALT agreements the Soviet Union will continue to pursue a nuclear superiority that is not merely quantitative but designed to produce a theoretical war-winning capability. Further, there is a major risk that, if such a condition were achieved, the Soviet Union would adjust its policies and actions in ways that would undermine the present détente situation, with results that could only resurrect the danger of nuclear confrontation or, alternatively, increase the prospect of Soviet expansion through other means of pressure.

While this highly disturbing prospect does not mean that strategic

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arms limitation should for a moment be abandoned as a U.S. (and world) goal, the practical fact we now face is that a SALT II treaty based on the Vladivostok Accord would *not* provide a sound foundation for follow-on negotiations under present trends. If, and only if, the United States now takes action to redress the impending strategic imbalance, can the Soviet Union be persuaded to abandon its quest for superiority and to resume the path of meaningful limitations and reductions through negotiation.

Finally, I believe that such corrective action *can* be taken: (a) within the framework of the Vladivostok Accord; (b) with costs that would increase the strategic arms budget marginally above present levels (themselves less than half the strategic arms budget we supported from 1956 through 1962, if the dollar values are made comparable); (c) with results that would encourage the diversion of the Soviet effort from its present thrust and in directions compatible with long-range strategic stability. At the close of this article I shall outline the key elements in such a corrective program.

II

Let us start with a brief review of the overall state of Soviet-American relations. The use of the word "détente," in its current sense, began in 1971. U.S. efforts to improve its relations with the Soviet Union go back to 1933. They dominated the War and the immediate postwar period, and the early years of the Eisenhower Administration. They formed an important strand of U.S. foreign policy in both the Kennedy and Johnson Administrations. The word "détente" as currently used implies something different from these efforts; it implies that their goal has now been achieved and that all that remains to be done is to make détente "irreversible."

The chain of events leading to the present situation goes back to the Sino-Soviet split and the great buildup of Soviet forces facing China. There were about 15 Soviet divisions facing China in the mid-1960s; between 1968 and 1972 the number grew to at least 45 divisions. This caused the Chinese Communists to be deeply concerned about the danger of an attack by the Soviet Union on China. The Chinese turned to the one power that could help deter such an attack; they opened the ping-pong diplomacy that resulted in the so-called normalization of U.S. relations with China.

Mr. Nixon was, I think, correct in taking the position that he wished good relations with both China and the U.S.S.R. and did not want an alliance with either. Moscow, however, wanted to be sure that the new relationship between China and ourselves did not deepen

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into something closer to an alliance and thus impede Soviet policy toward China. For this and other reasons the Russians began to go out of their way to be friendly to Mr. Nixon and Mr. Kissinger. They opened up a vista of relaxation of tensions and of a growing collaboration between the United States and the Soviet Union. In 1972 not only were the SALT I agreements—the Anti-Ballistic Missile (ABM) Treaty and the Interim Agreement—entered into, but also there was signed at Moscow a document called Basic Principles of Relations Between the United States and the Soviet Union. Together with a subsequent agreement signed in Washington in 1973, this laid out what appeared to be a good basis for continuing relations between the U.S.S.R. and ourselves. Among other things, these agreements called for collaboration to see to it that crisis situations in other parts of the world did not build up into confrontations which could increase the risk of war between the two countries. It was understood that this collaboration was to have special reference to Southeast Asia and to the Middle East. These bilateral agreements were accompanied by the Paris Agreements with respect to Vietnam, and the Soviet Union was among those guaranteeing that the Paris Agreements would be implemented and abided by.

These understandings, however, produced no positive Soviet actions. With respect to the final North Vietnamese takeover in Southeast Asia, the Soviets actually took actions to help the North Vietnamese violate the agreements. With respect to the Middle East, it is hard to sustain the argument that is often made that the Soviets exercised restraint in the October 1973 crisis. There appears to have been little that they refrained from doing to encourage and make possible the attack by Egypt and Syria on Israel and the OPEC action on oil prices and the embargo. The Soviets not only trained and equipped the Egyptians and the Syrians for their surprise attack, but also failed to warn us when they knew that an attack was imminent. When the battle turned against the attackers, they threatened to intervene with their forces.

These two experiences in Southeast Asia and in the Middle East are bound to make us skeptical that the Soviet leaders are in fact moving toward any lasting reduction in tensions, or any abandonment of expansionist aims. A further ground for skepticism comes from what Soviet leaders are saying to their own people, and especially what they are saying in authoritative pronouncements aimed at leadership circles. Here readings of the past year are all too clear. To take but one example, there were published in January 1975 companion articles, one by Boris Ponomarev, a deputy member of the Politburo,

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the other by Aleksandr Sobolev, a leading theoretician, each arguing that the evolution of the correlation of forces—in which they include not only military but economic and social forces—has moved very favorably from the standpoint of the Soviet Union over recent years.[1] Hence, they say, it is now possible to shift the target of communist action from the formerly colonial world to the developed world—particularly Europe. This shift in target is made possible by two things: one of them is "détente" and the other is "nuclear parity" (as they interpret the term, in a way we shall examine shortly).

In the sum total there are strong grounds for concluding that in Soviet eyes "détente" is not that different from what we used to call the "cold war." When we talked about the "cold war" we were in part emphasizing the fact that despite the deep hostility of the U.S.S.R. to the West in general and to the United States in particular, it would be a terrible thing if there were to be a "hot war" with the Soviet Union. When the Soviets use the word "détente" in their internal writings, they make it clear that they intend "détente" to mean the same thing as "peaceful coexistence." Peaceful coexistence, they make it clear, implies no change in their basic objectives, while they expect that current tactics will weaken the West and strengthen the socialist states.[2]

III

However one reads these broader signs of present Soviet behavior, a prime touchstone of the reality of détente—not only now but for the future—must lie in the area of strategic arms. If the Soviets are acting (and negotiating) in a way that gives promise of a stable nuclear balance (with meaningful reduction in due course), then the future of détente is clearly much brighter. If they are not, however, then the disturbing signs must be taken more seriously, and the long-term dangers are great indeed.

Let us begin by discussing the similarities and contrasts between Soviet and American views on certain strategic questions.

"Is the avoidance of war—particularly a nuclear war—between the two countries desirable?" On this question I think both sides are in agreement. However, there is a certain difference of approach. Clausewitz once said that the aggressor never wants war; he would prefer to achieve his objectives without having to fight for them. The

[1] B. N. Ponomarev, "The Role of Socialism in Modern World Development," *Problemy Mira i Sotsializma* (Problems of Peace and Socialism), January 1975, pp. 4–13; A. I. Sobolev, "Questions of the Strategy and Tactics of the Class Struggle at the Present Stage of the General Crisis of Capitalism," *Rabochiy Klass in Sovremennyy Mir* (The Working Class and the Contemporary World), January 1975, pp. 3–20.

[2] See comments by Aleksey Rumiantsev, at a conference sponsored by *Problemy Mira i Sotsializma*, Summer 1975.

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Soviets take seriously their doctrine that the eventual worldwide triumph of socialism is inevitable; that they are duty bound to assist this process; and that, as the process progresses, the potential losers may stand at some point and feel impelled to fight back. On the U.S. side some say that there is no alternative to peace and therefore to détente. This attitude misses two points. The first is that capitulation is too high a price for free men. The second is that high-quality deterrence, not unilateral restraint to the point of eroding deterrence, is the surest way of avoiding a nuclear war.

This thus leads to a second pair of questions: "Is nuclear war unthinkable? Would it mean the end of civilization as we know it?" We in the United States tend to think that it is, and this view prevailed (except for a small group of believers in preventive war, who never had strong policy influence) even in the periods when the United States enjoyed a nuclear monopoly and, at a later time, a clear theoretical war-winning capability.[3] When the effort was made in the late 1950s and early 1960s to create a significant civil defense capability, public resistance soon aborted the effort, so that today the United States has only the most minute preparations in this area. Rather, Americans have thought throughout the last 30 years in terms of deterring nuclear war, with the debate centering on how much effort is necessary to maintain deterrence, to keep nuclear war unthinkable.

In the Soviet Union, the view has been quite different. Perhaps initially because of the U.S. monopoly, Soviet leaders from the outset discounted the impact of nuclear weapons to their people. But as the Soviet nuclear capability grew, the Soviet leaders still declined to depict nuclear war as unthinkable or the end of civilization. On the contrary, they directed, and still direct, a massive and meticulously planned civil defense effort, with expenditures that run at approximately a billion dollars a year (compared to U.S. civil defense expenditures of approximately $80 million a year).[4] The average Soviet citizen is necessarily drawn into this effort, and the thinking it represents appears to permeate the Soviet leadership. In the Soviet Civil Defense Manual issued in large numbers beginning in 1969 and 1970,

[3] To see how top officials viewed American nuclear power even in the period of American monopoly, one can now consult the recently declassified text of the NSC 68 policy paper dated in the spring of 1950. Even though Soviet nuclear capacity (after the first Soviet test of August 1949) was assessed as small for some years to come, that paper rejected any idea of reliance on American nuclear power for the defense of key areas. To be sure, in the 1950s under John Foster Dulles, the United States had a declaratory policy of "massive retaliation." But in the actual confrontations of that period, this declaratory policy was not in fact followed; instead, conventional force was used, for example in the Lebanon crisis of 1958 and, less directly, in the Offshore Islands crisis of the same year. After 1961 massive retaliation was abandoned.

[4] Eugene Wigner, "The Atom and the Bomb," *Christian Science Monitor,* November 13, 1974, p. 4.

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the estimate is made that implementation of the prescribed evacuation and civil defense procedures would limit the civilian casualties to five to eight percent of urban population or three to four percent of the total population—even after a direct U.S. attack on Soviet cities. The Soviets may well overestimate the effectiveness of their civil defense program, but what is plain is that they have made, for 20 years or more, an approach to the problem of nuclear war that does assume, to a degree incomprehensible to Americans (or other Westerners), that nuclear war could happen, and that the Soviet Union could survive.

These differences in approach and attitude appear to be basic and deeply rooted. In essence, Americans think in terms of deterring nuclear war almost exclusively. The Soviet leaders think much more of what might happen in such a war. To the extent that humanitarian and moral objections to the use of nuclear weapons exist in the Soviet Union—as of course they do—such objections are subordinated for practical planning purposes to what Soviet leaders believe to be a realistic view.

It may be argued that these differences are more apparent than real, and that with the passage of time and the emergence of near-equality in the respective nuclear capabilities the differences are today less significant. Unfortunately, as the civil defense picture suggests, the trend in comparative nuclear weapons capabilities has if anything accentuated them.

That this is so can be seen in the more concrete realm of nuclear strategic concepts, and the postures that result from them. Often overrefined or expressed in terms hard for the layman to grasp, the range of strategic nuclear concepts available to any nuclear-weapons nation in fact boils down roughly to five:

1. *Minimum Deterrence.* This means a capacity to destroy a few key cities with little if any counterforce capacity to attack a hostile nation's military forces. In essence, it relies on the threat alone to deter. As between the Soviet Union and the United States, in the event deterrence failed, this level of American capacity would concede to the Soviet Union the potential for a military and political victory. The Soviets would risk U.S. retaliation against a portion of their industry and population, if our action policy in the event deterrence failed turned out to be the same as our declaratory policy before deterrence failed. To reduce this risk of retaliation, the Soviets could limit their attack to U.S. forces and continue to hold the U.S. population as hostage. In sum, the effect of this level of deterrence would be to provide limited deterrence of a full-scale attack on the U.S. population. It would have less strength in deterring a Soviet attack on U.S. forces

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or on allies whose security is essential to our own.

2. *Massive Urban/Industrial Retaliation.* As the name implies, this posture is designed to destroy many cities, many millions of people and much productive capacity, and to do so on an assured second-strike basis. This level of deterrence, sometimes called "Assured Destruction," would concede to the Soviet Union the potential for a military victory if deterrence failed, but (it would be anticipated) would make any such victory worthless in political terms. This form of deterrence differs from minimum deterrence largely in the degree of damage to Soviet industry and population it would threaten.

3. *Flexible Response.* In this form of deterrence the United States would have the capability to react to a Soviet counterforce attack without going immediately to a counter-city attack. It would thus increase the credibility of deterrence. The question of military or political victory if deterrence fails would depend upon the net surviving destructive capacity of the two sides after the initial counterforce exchanges. If the net surviving capacity after such a flexible response were grossly to favor the Soviet Union, or if each limited exchange placed the United States in a progressively weaker relative position, we are back to the minimum deterrence or massive urban/industrial retaliation situation, depending on the amount of surviving effective nuclear capability on the U.S. side.

4. *Denial of a Nuclear-War-Winning Capability to the Other Side.* This means a nuclear posture such that, even if the other side attacked first and sought to destroy one's own strategic striking power, the result of such a counterforce exchange would be sufficiently even and inconclusive that the duel would be extremely unattractive to the other side. This level of deterrence, in addition to deterring an attack on U.S. population centers, should also deter a Soviet attack on U.S. forces or those of its allies. In practice, against any major nuclear nation, the posture would also include a capacity for effective massive urban/industrial retaliation if such a strategy were called for.

5. *A Nuclear-War-Winning Capability.* This would be a position so superior that, whatever the initial forms of nuclear exchange, one's own surviving capacity would be enough to destroy the war-making ability of the other nation without comparable return damage. Such a U.S. posture would deter any Soviet attack on the United States and could also limit other serious Soviet military initiatives contrary to U.S. and allied interests. However, Soviet weapons technology and program momentum are such that the United States probably could not obtain this capability.

A review of the choices made by the United States and the Soviet

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Union among these five concepts goes, I believe, further than any other form of analysis in explaining and clarifying the changes in the strategic balance since 1945. Until roughly 1954, the United States retained nuclear superiority without extraordinary effort. By the late 1950s, the vulnerability of American bomber bases (bombers then being the only effective delivery method) emerged as a serious weakness in the American posture.[5] This weakness, and the rapid advances in missile technology of the period, led the United States between 1956 and 1962 to place great emphasis on ensuring the survivability of its nuclear striking power; average strategic obligational authority during these years was about $18 billion a year in 1974 dollars.[6] As a result the feared intercontinental ballistic missile (ICBM) "gap" of the 1960 presidential campaign never in fact became reality, but on the contrary the United States re-established a clearly superior nuclear capability by 1961–62. This was the situation at the time of the only true nuclear confrontation of the postwar period, the Cuban missile crisis of the fall of 1962.

Up to that point something approaching a war-winning capability seemed to most Americans the best possible form of deterrence, and thus desirable. However, as it became clear that the Soviet Union, too, was developing massive and survivable missile delivery capabilities, this view changed to the belief that even though a nuclear war might be won in a purely military sense, it could not be won in a political sense. That led to the further view that mutual deterrence through mutually assured destruction was the best feasible objective.

I have explained elsewhere at greater length the decisions of the early 1960s, in which I was one of those who participated with Robert McNamara, then Secretary of Defense.[7] In essence, the United States opted at that point to stress technological improvement rather than expanded force levels. While numerical comparisons were not ignored, the basic aim was an underlying condition of what may be called "crisis stability," a situation where neither side could gain from a first strike, and of "mutual assured destruction," where each side would have a fully adequate second-strike capability to deter the other. In such a condition it was believed that neither could realistically

[5] See Albert Wohlstetter, "The Delicate Balance of Terror," *Foreign Affairs*, January 1959, pp. 211–234.

[6] It should be noted that this figure refers to the amounts obligated annually for equipment, materiel, and personnel that can be directly attributed to the program mission, including all support costs that follow directly from the number of combat units. It does not include allocable costs of such related activities as communications, general support, and intelligence.

[7] See Paul H. Nitze, "The Vladivostok Accord and SALT II," *The Review of Politics* (University of Notre Dame), April 1975, pp. 147–60, especially pp. 149–50.

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threaten the other in the area of strategic weapons, and that the result would be much greater stability and higher chances of the peaceful resolution of crises if they did occur. While nuclear weapons would always be a major deterrent, the conventional arms balance at any point of confrontation would remain important (as it had been in the Berlin crisis of 1958–62 and also in the Cuban missile crisis itself). In short, the aim was to downgrade nuclear weapons as an element in U.S.-Soviet competition and to prepare the way for systematic reductions in nuclear arms. If both sides were to adopt such a concept, it should be possible, over time, to move from what might be called a "high deterrent" posture to a "low deterrent" posture, with the deterrent remaining essentially equivalent on both sides but at successively lower levels.

As the United States thus adjusted its posture, the invitation for the Soviet Union likewise to seek a similar posture—and stop there—was patent both from statements of American policy and from the always-visible American actions. Unfortunately, however, the Soviet Union chose to pursue a course that was ambiguous: it could be interpreted as being aimed at overtaking the United States but then stopping at parity; it could, however, be interpreted as being aimed at establishing superiority in numbers of launchers and in throw-weight[8] and, perhaps ultimately, a nuclear-war-winning capability on the Soviet side.

It is important to consider the reasons that may have entered into this choice. In part, the Soviet leaders may have been motivated by technological factors—that they had already moved to heavy rockets but were behind in other areas, such as solid propellant technology, accuracy and MIRVing (the development of multiple, independently targetable reentry vehicles). In part, there may have been an element of traditional Soviet emphasis on mass and size. But it is hard to avoid the conclusion that an important factor was the reading the Soviet leaders gave to the Cuban missile crisis and, to a lesser extent, the Berlin crisis. In the latter case, Khrushchev had briefly sought to exploit the first Soviet rocket firings of 1957—by a series of threats to Berlin beginning in late 1958—but then found that the West stood firm and that the United States quickly moved to reestablish its strategic superiority beyond doubt. And in the Cuban missile case, the very

[8] "Throw-weight" is a measure of the weight of effective payload that can be delivered to an intended distance. In the case of intercontinental ballistic missiles (ICBMs) and submarine-launched ballistic missiles (SLBMs), the throw-weight is a direct measure of such a payload in terms of the potential power of the missiles' boosters. In view of the more variable loads carried by heavy bombers, a formula for equivalence is needed to take account of all factors including explosive power. This point is addressed in footnote 16.

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introduction of the missiles into Cuba in the fall of 1962 must have reflected a desire to redress the balance by quick and drastic action, while the actual outcome of the crisis seemed to the Soviet leaders to spell out that nuclear superiority in a crunch would be an important factor in determining who prevailed.

Harking back to the Soviet penchant for actually visualizing what would happen in the event of nuclear war, it seems highly likely that the Soviet leaders, in those hectic October days of 1962, did something that U.S. leaders, as I know from my participation, did only in more general terms—that is, ask their military just how a nuclear exchange would come out. They must have been told that the United States would be able to achieve what they construed as victory, that the U.S. nuclear posture was such as to be able to destroy a major portion of Soviet striking power and still itself survive in a greatly superior condition for further strikes if needed. And they must have concluded that such a superior capability provided a unique and vital tool for pressure in a confrontation situation. It was a reading markedly different from the American internal one, which laid much less stress on American nuclear superiority and much more on the fact that the United States controlled the sea lanes to Cuba and could also have expected to prevail in any conflict over Cuba waged with conventional arms.[9]

One cannot prove that this was the Soviet reasoning. But the programs they set under way about 1962—above all the new family of weapons systems, embodying not only numbers and size but also greatly advanced technology, the development and deployment of which began to be evident beginning in 1971 but which must have been decided upon some years earlier—seem to reflect a fundamental state of mind on the Soviet side that contains no doubt as to the desirability of a war-winning capability, *if feasible*. Believing that evacuation, civil defense and recuperation measures can minimize the amount of damage sustained in a war, they conclude that they should be prepared if necessary to accept the unavoidable casualties. On the other hand, the loss of a war would be irretrievable. Therefore, the best deterrent is a war-winning capability, if that is attainable.

There have been, and I believe still are, divisions of opinion on the Soviet side as to whether such a capability *is* feasible. There are those who have argued that the United States is a tough opponent with great technical expertise and that the United States can be expected to do whatever is necessary to deny such a war-winning capability to the

[9] See Maxwell D. Taylor, "The Legitimate Claims of National Security," *Foreign Affairs*, April 1974, p. 582.

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Soviet side. Others have taken the view that the developing correlation of forces—social, economic and political as well as military and what they call the deepening crisis of capitalism—may prevent the United States and its allies from taking the necessary countermeasures and that the target of a war-winning capability, therefore, is both desirable and feasible. Again, this is not to say that Soviet leaders would desire to initiate a nuclear war even if they had a war-winning capability. They would, however, consider themselves duty bound by Soviet doctrine to exploit fully that strategic advantage through political or limited military means.

IV

The SALT negotiations got under way in late 1969. As a participant in those talks from then until mid-1974, I have described elsewhere some of the difficulties that attended the U.S. side.[10] What was most fundamental was that the U.S. delegation sought at every level and through every form of contact to bring home to the Soviet delegation, and the leaders behind it, the desirability of limitations which would assure "crisis stability" and "essential equivalence"—and that the Soviet side stoutly resisted these efforts.

Indeed, the negotiations very early revealed other major stumbling blocks. One, in particular, revolved around the Soviet conception of "strategic parity." In the SALT negotiations the U.S. delegation consistently argued for the acceptance by both sides of the concept of "essential equivalence." By that we meant that both sides did not have to be exactly equal in each component of their nuclear capabilities but that overall the nuclear strategic capability of each side should be essentially equal to that of the other and at a level, one could hope, lower than that programmed by the United States. The Soviets have never accepted this concept, but have argued instead for the concept of "equal security taking into account geographic and other considerations." In explaining what they meant by "geographic and other considerations," they said that, "The U.S. is surrounded by friendly countries. You have friends all around the oceans. We, the U.S.S.R., are surrounded by enemies. China is an enemy and Europe is a potential enemy. What we are asking for is that our security be equal to yours taking into account these considerations." They never went so far as to say that this really amounts to a requirement for Soviet superiority in capabilities over the United States, the U.K., France and China simultaneously, but watching the way they added things up

[10] Paul H. Nitze, "The Strategic Balance Between Hope and Skepticism," *Foreign Policy*, Winter 1974–75, pp. 136–56.

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and how they justified their position, this is what it boiled down to.

Yet the two sides were able to reach agreement in May of 1972 on stringent limitations on the deployment of ABM interceptor missiles, ABM launchers and ABM radars and on an Interim Agreement temporarily freezing new offensive missile-launcher starts.

After the May 1972 signing of the ABM Treaty and the Interim Agreement, it turned out that the two sides had quite different views as to how the negotiating situation had been left. On the U.S. side, we told the Congress that the Interim Agreement was intended to be merely a short-term freeze on new missile-launcher starts, and that this, together with the ABM Treaty, should create favorable conditions for the prompt negotiation of a more complete and balanced long-term agreement on offensive strategic arms to replace the Interim Agreement and be a complement to the ABM Treaty. Both sides had agreed promptly to negotiate a more complete agreement to replace the Interim Agreement. And the Interim Agreement specifically provided that its provisions were not to prejudice the scope or terms of such a replacement agreement. We thought such a replacement agreement should be based, as was the ABM Treaty, on the principles of equality in capabilities, greater stability in the nuclear relationship between the two sides, and a mutual desire to reduce the resources committed to strategic arms.

However, the Soviet Union had a quite different view. Its negotiators held that in accepting the Interim Agreement we had conceded that the Soviet Union was entitled to an advantage for an indefinite time of some 40 percent in the number of missile launchers and something better than double the average effective size, or throw-weight, of their missiles over ours. In working out a more complete and longer term agreement, in their view, all that was necessary was to add strict and equal limits on bombers and their armaments, provide for the withdrawal of our nuclear forces deployed in support of our allies capable of striking Soviet territory, and halt our B-1 and Trident programs but not the "modernization" of their systems. The difference of position between the two sides was such that it was difficult to see how agreement could be reached.

In the Vladivostok Accord of December 1974 the Soviets did make concessions from their past extremely one-sided negotiating demands. Those concessions were greater than many in the U.S. executive branch expected. However, does the Accord promise to result in achieving the objectives which the United States has for many years thought should be achieved by a long-term agreement on offensive forces? Those objectives were parity, or essential equivalence, between

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the offensive capabilities on the two sides, the maintenance of high-quality mutual deterrence and a basis for reducing strategic arms expenditures. I believe it does not.

The Vladivostok Accord, in essence, limits the total number of strategic launchers—ICBMs, submarine-launched ballistic missiles (SLBMs) and heavy strategic bombers, to 2,400 on both sides, and the number of MIRVed missile launchers to 1,320 on both sides. It limits the Soviet Union to the number of modern large ballistic launchers (MLBMs) that they now have, while prohibiting the United States from deploying any modern launchers in this category.[11] The Accord calls for air-to-surface missiles with a range greater than 600 kilometers, carried by heavy bombers, to be counted against the 2,400 ceiling. The treaty would allow freedom to mix between the various systems subject to these limitations.

As this article goes to press, there still remain some things to be cleared up: Secretary Kissinger has said that there was a misunderstanding concerning air-to-surface missiles (ASMs), that our understanding was that only *ballistic* air-to-surface missiles of greater than 600-kilometer range are to be included in the 2,400 launcher limit, not *cruise* missiles.[12] That is being argued between the two sides at the present time. There is also a question about mobile missiles, particularly land-mobile missiles: Should they be banned or should they be permitted and counted against the 1,320 and 2,400 ceilings? And there is the open question of what constitutes a "heavy bomber." The Soviets are building a plane called the "Backfire" whose gross take-off weight is three-quarters that of the B-1 and which is two and a half times as big as our FB-111. It is a very competent plane, more competent than some of the planes they now agree should be defined to be heavy bombers. The Soviets say the Backfire should not be included

[11] There has been no agreed definition of a heavy ballistic missile. However, both sides acknowledge that the SS-9 and the SS-18 are MLBMs and that the U.S. Titan missile, while it is considered heavy, does not fall within the definition of "modern." The U.S. has no launchers for MLBMs and is prohibited from converting any of its silos to such launchers. The Soviets are estimated to have had 308 launchers for MLBMs and are permitted to convert the SS-9 launchers into launchers for the even larger and much more capable SS-18s.

[12] There are several relevant points on the 600-km. range and cruise vs. ballistic ASM questions. The inclusion of cruise missiles as well as ballistic missiles in the aggregate would offer a distinct advantage to the U.S.S.R. In the first place, cruise missiles with a range greater than 600 km. would significantly contribute to U.S. bomber penetration in the face of the strong Soviet antiaircraft defenses. Furthermore, the United States needs longer range cruise missiles to reach meaningful targets within the opponent's interior than does the Soviet Union. Secondly, the Soviets now have cruise missiles of large size with large conventional warheads having a range close to 600 km. With smaller nuclear warheads their range could be more than doubled. It is not possible to verify the substitution of nuclear warheads for conventional ones, or to tell armed cruise missiles from unarmed ones. In any case, a single cruise missile cannot be equated with a Soviet ICBM carrying 50 times as much warhead weight.

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in the category of heavy bombers because "we don't intend to use it in that role." However, it can in fact carry, even without refueling (and it is equipped to be refueled), a significant payload to intercontinental distances if the aircraft is recovered in a third country. The way the Vladivostok Accord reads, air-to-surface missiles in excess of 600 kilometers in range, if not carried on a heavy bomber, are not required to be counted at all. So Backfires and FB-111s with long-range missiles would not count in any way against anything. These problems must be resolved in order to have a meaningful agreement.

Then there are the problems of verification. Messrs. Kissinger and Gromyko have been trying to work out a compromise on the verification issue. I personally take the verification issue less seriously than most because the limits are so high that what could be gained by cheating against them would not appear to be strategically significant.[13] However, we should be careful not to establish a precedent which would cause trouble if more meaningful limitations were agreed upon.

A notable feature of the Vladivostok Accord is that it does not deal with throw-weight. The agreement would not effectively check the deployment of the new Soviet family of large, technically improved and MIRVed offensive missiles. While both sides are permitted equal numbers of MIRVed missiles, the new Soviet SS-19s have three times the throw-weight of the U.S. Minuteman III, and the new SS-18s, seven times. What this comes down to is that under the Accord the Soviets can be expected to have a total of about 15 million pounds of missile throw-weight and bomber throw-weight equivalent. If the Congress goes forward with the B-1 and the Trident system but the United States does not add further strategic programs, the Soviets can be expected to end up with an advantage of at least three-to-one in missile throw-weight and of at least two-to-one in overall throw-weight, including a generous allowance for the throw-weight equiv-

[13] The significance of verifiability is a function not only of the confidence one can have in verifying a particular number but of the strategic significance of the number being verified. Fixed ICBM silos are large and the number deployed is therefore readily verifiable; however, the throw-weight of the missiles which can be launched from such silos can vary by a factor of ten.

The provision in the SALT I Interim Agreement that the interior dimensions of silos not be increased by more than 15 percent was an attempt to get at this problem. However, the volume of a missile which can be launched from a silo of given interior dimensions can still vary by a factor of two or three, and the throw-weight of a missile with a given volume can vary by a factor of two. Even if the probable error in directly verifying a throw-weight limitation were 20 percent, such a limitation would be strategically far more significant than any of the preceding limitations.

In addition to throw-weight, there are other significant strategic factors, such as the survivability of the launcher through mobility or hardening, and the accuracy, reliability, and number of RVs (reentry vehicles) carried by a MIRVed missile. None of these other factors is limited under the Vladivostok Accord and, in any case, they are inherently difficult to verify.

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alent of heavy bombers, and two-to-one or three-to-one in MIRVed missile throw-weight. This disparity leaves out of consideration the Backfire, the FB-111, and the highly asymmetrical advantage in air defenses that the Soviet Union enjoys.[14]

Thus, the Vladivostok Accord, while a considerable improvement upon the prior negotiating positions presented by the Soviet Union, continues to codify a potentially unstable situation caused by the large disparity in throw-weight, now being exploited by Soviet technological improvements.

V

The prospects for SALT III center on reductions in the strategic forces on both sides, an aim of the SALT talks since their inception. My personal view is that meaningful reductions are highly desirable, and that the aim of reductions should be to increase strategic stability. But this aim is not served by reducing numbers of launchers, unless throw-weight is also reduced and made more equal.[15]

The agreed reduction of the throw-weight of large, land-based MIRVed missiles, however, would increase stability. I see no reason why the Soviet Union needs to replace its SS-9s with SS-18s, nor why it needs to replace a large number of its SS-11s with SS-19s. Although it is perfectly feasible and permissible under the Vladivostok Accord for us to develop missiles of equally large or even greater throw-weight than the SS-19s and fit them in Minuteman III silos, would it not be far better for both sides if there were sub-limits of, say, 50 on the number of SS-18s the Soviets were permitted to deploy and 500 or less on the number of SS-19 and SS-17 class ICBMs that either side was permitted to deploy? Even in a context of no other changes in the postures of the two countries, the reduction in missiles to these numbers would change the missile throw-weight asymmetry to one-and-a-half to one.

It might then be more feasible to work out subsequent reductions in numbers of vehicles which would include the Soviet older un-MIRVed missiles, such as the SS-9, along with our Minuteman II and Titan. But in the absence of throw-weight limitations of some

[14] In mid-1973 the United States had 602 fighter interceptors and 481 surface-to-air missiles, compared to the Soviet Union's 3,000 fighter interceptors and 10,000 surface-to-air missiles. Edward Luttwak, *The U.S.-U.S.S.R. Nuclear Weapons Balance,* The Washington Papers, Beverly Hills: Sage Publications, 1974.

[15] Indeed, if total throw-weight is not reduced while the number of launchers is, the fewer launchers become more vulnerable and critical to each side and crisis stability is actually lessened. See Lt. Gen. (then Col.) Glenn A. Kent, "On the Interaction of Opposing Forces under Possible Arms Agreements," Occasional Papers in International Affairs, No. 5, Center for International Affairs, Harvard University, March 1963.

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sort, reduction per se will not improve stability.

However, the Russians are opposed to considering throw-weight limitations and have also taken the position that a future negotiation for reductions has to take into account all forward-based systems—all the systems we have in Europe and in East Asia, and on aircraft carriers. Thus, it is hard to see how we can have high hopes of getting anything in SALT III that will provide relief for the anticipated strain on the U.S. strategic posture as the Soviet deployments proceed and as their accuracy improves.

VI

The country as a whole has looked at strategic nuclear problems during the last six years in the context of SALT, hoping to make the maintenance of our national security easier through negotiations. It now appears, however, for the reasons outlined above, that we are not likely to get relief from our nuclear strategic problems through this route. Therefore, we have to look at our strategic nuclear posture in much the way we used to look at it before the SALT negotiations began and determine what is needed in the way of a nuclear strategy for the United States and what kind of posture is needed to support it. A fundamental aim of nuclear strategy and the military posture to back it up must be deterrence: the failure to deter would be of enormous cost to the United States and to the world.

Once again, two important distinctions should be borne in mind: the distinction between the concept of "deterrence" and the concept of "military strategy," and the accompanying distinction between "declaratory policy" and "action policy." Deterrence is a political concept; it deals with attempts by indications of capability and will to dissuade the potential enemy from taking certain actions. Military strategy deals with the military actions one would, in fact, take if deterrence fails. A responsible objective of military strategy in this event would be to bring the war to an end in circumstances least damaging to the future of our society.

From the U.S. standpoint, just to level a number of Soviet cities with the anticipation that most of our cities would then be destroyed would not necessarily be the implementation of a rational military strategy. Deterrence through the threat of such destruction thus rests on the belief that in that kind of crisis the United States would act irrationally and in revenge. Yet serious dangers can arise if there is such a disparity between declaratory deterrence policy and the actual military strategy a nation's leaders would adopt if deterrence fails—*or* if there is a belief by the other side that such a disparity would be

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likely. I think former Secretary James Schlesinger's flexible response program was, in effect, an attempt to get our declaratory policy closer to a credible action policy and thus improve deterrence.

Ultimately, the quality of that deterrence depends importantly on the character and strength of the U.S. nuclear posture versus that of the Soviet Union. In assessing its adequacy, one may start by considering our ability to hold Soviet population and industry as hostages, in the face of Soviet measures to deter or hedge against U.S. retaliation directed at such targets.

In 1970 and 1971—when the focus was almost exclusively on "mutual assured destruction"—the congressional debates on whether or not to deploy a U.S. anti-ballistic missile system recognized clearly the importance to deterrence of hostage populations. Critics of the ABM argued—and with decisive impact on the outcome of the debate—that an effective ABM defense of urban/industrial centers could be destabilizing to the nuclear balance: if side *A* (whether the United States or the U.S.S.R) deployed an ABM defense of its cities, side *B* could no longer hold side *A*'s population as a hostage to deter an attack by *A* on *B*. And in 1972 the same argument carried weight in the negotiation and ratification of the ABM limits in the SALT I agreements.

Yet today the Soviet Union has adopted programs that have much the same effect on the situation as an ABM program would have. And as the Soviet civil defense program becomes more effective it tends to destabilize the deterrent relationship for the same reason: the United States can then no longer hold as significant a proportion of the Soviet population as a hostage to deter a Soviet attack. Concurrently, Soviet industrial vulnerability has been reduced by deliberate policies, apparently adopted largely for military reasons, of locating three-quarters of new Soviet industry in small and medium-sized towns. The civil defense program also provides for evacuation of some industry and materials in time of crisis.

In sum, the ability of U.S. nuclear power to destroy without question the bulk of Soviet industry and a large proportion of the Soviet population is by no means as clear as it once was, even if one assumes most of U.S. striking power to be available and directed to this end.

A more crucial test, however, is to consider the possible results of a large-scale nuclear exchange in which one side sought to destroy as much of the other side's striking power as possible, in order to leave itself in the strongest possible position after the exchange. As already noted, such a counterforce strategy appears to fit with Soviet ways of thinking and planning; it is a strategy we must take into account.

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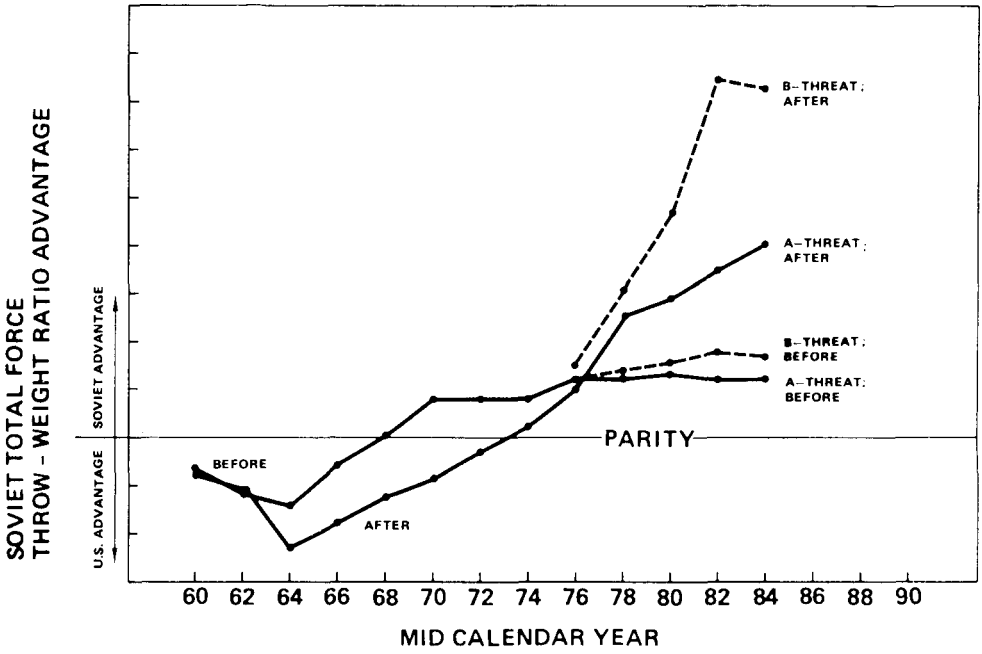
TABLE I

Soviet – U.S. Throw-Weight Ratios



Tables I and II, on these two pages, apply this test over a period of years running from 1960 to (as it happens) 1984. For past periods, fairly assured estimates are available for both sides. For future years, a median estimate of U.S. programs, based on published data, has been used, while on the Soviet side there are two alternative projections—an "A-threat" based on a representative estimate of Soviet force deployments and accuracy capabilities, and a "B-threat" reflecting the possibility of increased Soviet emphasis on accuracy and other strategic force factors. Both forces are assessed in terms of total available throw-weight, measuring this directly for assumed missile inventories and making full allowance for the bomber equivalent of missile throw-weight for both sides.[16]

The Tables assume an exchange in which the Soviet Union has attacked U.S. forces, and the United States has retaliated by trying to

[16] A B-52 has been assigned an equivalent throw-weight of 10,000 lbs. and a B-1 about 19,000 lbs. The SRAM air-to-surface missile has a yield about equal to that of a Minuteman III warhead; hence, for every three SRAMs carried by a bomber, that bomber is given a throw-weight equivalent equal to the throw-weight of one Minuteman III. Laydown bombs are assumed to have roughly the yield of Minuteman II; hence, for each laydown bomb carried by a bomber it is given a throw-weight equivalent equal to the throw-weight of a Minuteman II. The alert bomber force is assumed to be 40 percent of the B-52 inventory and 60 percent of the B-1 inventory, degraded to incorporate penetration factors.

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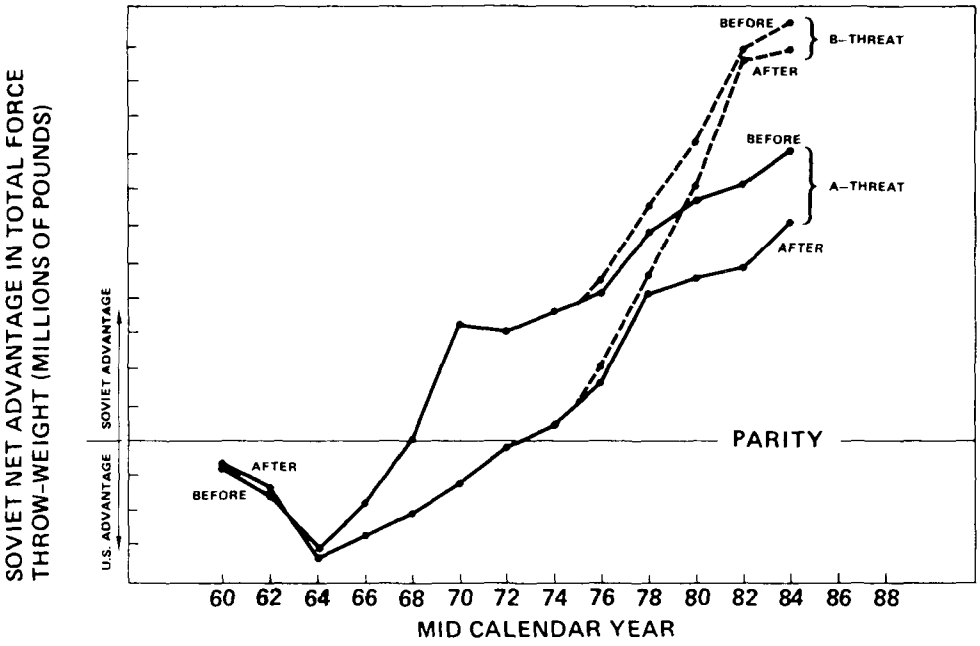
TABLE II

Soviet – U.S. Throw-Weight Differentials



reduce Soviet strategic throw-weight to the greatest extent possible. To assess the opposing forces *before* attack in terms of their relative throw-weight is of course only a partial measure of their comparative original capability. In working out what would actually happen in the assumed exchange, full account has been taken of all relevant factors—in particular the number, yield, accuracy and reliability of the reentry vehicles associated with that throw-weight, and the hardness of the targets against which they are assumed to have been targeted.

It is the situation *after* attack, of course, that is most important. And here, since the targets remaining after the exchange would almost all be soft ones, missile accuracy and other refinements in the original postures no longer have the same significance. Surviving throw-weight thus becomes an appropriate *total* measure of the residual capability on both sides.

As worked out by Mr. T. K. Jones, who served as my senior technical advisor when I was a member of the U.S. SALT delegation, the results of such an assessment are shown in Table I, expressed in terms of the ratios, and Table II, expressed in terms of the absolute units of weight—by which one side exceeds the other before and

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after attack in the various periods and alternative cases examined.[17]

Based on this method of assessment, the United States in 1960 held a slight but increasing advantage over the Soviet Union, and this advantage became greatest in about mid-1964. Thereafter, however, Soviet programs—greatly accelerated, as earlier noted, after the Cuban missile crisis—started to reverse the trend, so that by mid-1968 the total deployed throw-weights on both sides, before a hypothetical nuclear exchange, were roughly equal. However, as the "after" curve shows, the U.S. operational military advantage persisted for some time thereafter, offsetting the Soviet superiority in deployed throw-weight. For example, if in 1970 the Soviets had attacked U.S. forces, their entire prewar advantage would have been eliminated, leaving the United States with substantial superiority at the end of the exchange. However, this situation began to be reversed in 1973, with the Soviets gaining the military capability to end an exchange with an advantage in their favor. Moreover, in 1976 the "before" and "after" curves of Table I cross, signifying that the Soviets could, by initiating such an exchange, increase the ratio of advantage they held at the start of the exchange. By 1977, after a Soviet-initiated counterforce strike against the United States to which the United States responded with a counterforce strike, the Soviet Union would have remaining forces sufficient to destroy Chinese and European NATO nuclear capability, attack U.S. population and conventional military targets, and still have a remaining force throw-weight in excess of that of the United States. And after 1977 the Soviet advantage after the assumed attack mounts rapidly.

In addition to the ratios and absolute differences that apply to the remaining throw-weights of the two sides, there is a third factor which should be borne in mind. That factor is the absolute level of the forces remaining to the weaker side. If that absolute level is high, continues under effective command and control, and is comprised of a number of reentry vehicles (RVs) adequate to threaten a major portion of the other side's military and urban/industrial targets, this will be conducive to continued effective deterrence even if the ratios are unfavorable. These considerations reinforce the desirability of survivable systems and methods of deployment.

[17] I regret that, even if space permitted, the full assumptions used in Mr. Jones' study cannot be spelled out here. Security considerations necessarily enter in for some of the underlying data. I have myself gone over Mr. Jones' data and assumptions with care and believe that they represent a careful and objective analysis of the relevant factors. Above all, since his methods are self-consistent from one period to the next, they show a valid trend-line and pace of change—which I believe the more expert readers of this article will find conform to their more general judgments.

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VII

In sum, the trends in relative military strength are such that, unless we move promptly to reverse them, the United States is moving toward a posture of minimum deterrence in which we would be conceding to the Soviet Union the potential for a military and political victory if deterrence failed. While it is probably not possible and may not be politically desirable for the United States to strive for a nuclear-war-winning capability, there are courses of action available to the United States whereby we could deny to the Soviets such a capability and remove the one-sided instability caused by their throw-weight advantage and by their civil defense program.

To restore stability and the effectiveness of the U.S. deterrent: (1) the survivability and capability of the U.S. strategic forces must be such that the Soviet Union could not foresee a military advantage in attacking our forces, and (2) we must eliminate or compensate for the one-sided instability caused by the Soviet civil defense program. Specifically, we must remove the possibility that the Soviet Union could profitably attack U.S. forces with a fraction of their forces and still maintain reserves adequate for other contingencies.

As to the civil-defense aspect, the absence of a U.S. capability to protect its own population gives the Soviet Union an asymmetrical possibility of holding the U.S. population as a hostage to deter retaliation following a Soviet attack on U.S. forces. Although the most economical and rapidly implementable approach to removing this one-sided instability would be for the United States to pursue a more active civil defense program of its own, such a program does not appear to be politically possible at this time. Its future political acceptability will be a function of the emerging threat and its appreciation by U.S. leadership and by the public.

Two more practicable avenues of action suggest themselves. First, all of the options which would be effective in diminishing the one-sided Soviet advantage involve some improvement in the *accuracy* of U.S. missiles. Differential accuracy improvements can, at least temporarily, compensate for throw-weight inequality.

This is a controversial issue which has been studied extensively. The results of one such study by a member of Congress are shown in the *Congressional Record* of May 20, 1975. According to that study the United States presently holds a 4: 1 superiority in the hard-target kill capability of missile forces. The Congressman notes in his opposition to a U.S. high-accuracy maneuvering reentry vehicle (MaRV) program that MaRV would by the late 1980s improve U.S. accuracy to .02 n.m. (120 feet), incorrectly estimating that this would increase

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the U.S. advantage to 7: 1 over the U.S.S.R.—assuming the latter was unable to develop MaRV by that time. However, the Congressman's data also predict that the hard-target kill capability of the Soviet missile force will by the 1980s have increased 100-fold, so that if the United States took no action to improve the accuracy of its missiles, the Soviet Union would have an advantage of 25: 1. While it is unnecessary to equip more than a portion of U.S. missiles with high-accuracy RVs, it is clear that substantial accuracy improvements are essential to avoid major Soviet superiority in a critical respect.

Others argue that improvements in U.S. missile accuracy would be "destabilizing." More specifically, such programs "could spur Soviet countermeasures such as new programs to increase their second-strike capabilities by going to (1) more sea-launched strategic missiles, (2) air- and sea-launched cruise missiles, (3) expanded strategic bomber forces, and (4) mobile ICBMs."[18] These arguments ignore the central fact that deterrence is already being seriously undermined by unilateral actions of the Soviet Union. Hence, further self-restraint by the United States cannot but worsen this condition.

Moreover, the Soviet programs cited as consequences of U.S. accuracy improvement are in fact stabilizing rather than destabilizing. Under the SALT agreements on force ceilings, such reactions would compel offsetting reductions in the Soviet silo-based ICBM force, thereby reducing their total force throw-weight. Moreover, the replacement ICBM systems are not likely to achieve accuracy equal to that of the silo-based ICBMs, while throw-weight moved to bombers and cruise missiles, because of the long flight time to targets, cannot be effectively used in a first-strike counterforce role.

In sum, even on the information furnished by those generally opposing improved accuracy of U.S. missiles, improvement *is* necessary to avoid a major Soviet advantage, and the logical Soviet counter to such improvements would move the Soviets in a direction which would stabilize the strategic relationship and reduce the Soviet throw-weight advantage.

Second, the prospective Soviet advantage could be offset by measures to decrease the *vulnerability* of U.S. strategic nuclear forces. Here there are several ongoing programs already under way, notably the development of the Trident submarine and the B-1 bomber; both these delivery systems will be inherently less vulnerable to a counterforce attack than fixed ICBM installations, the submarine by reason of its mobility at sea and the B-1 by virtue of its mobility and escape

[18] Additional views of Representative Schroeder, "Alternative Defense Posture Statement," Report 94-199 of House Armed Services Committee, May 10, 1975, p. 130.

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speed as well as the potential capacity to maintain a portion of the B-1 force airborne in time of crisis. In addition, programs to increase the pre-launch survivability of U.S. bomber forces generally, as well as programs to increase air defense capability through the so-called AWACS system, operate to reduce vulnerability of the total U.S. force. To a considerable extent, however, these programs are already taken into account in the calculations shown on Tables I and II—if they were to be delayed, the effect would be negative, and the contrary if they were to be stepped up and accelerated.

I believe, however, that these measures do not go far enough. The most vulnerable U.S. delivery system today is that of our fixed and hardened ICBM installations, including Minuteman silos. Under present trends, it is only a question of time until a combination of the large throw-weight available to the Soviets and improved accuracy will threaten the destruction of a high percentage of these installations—so that today there is considerable talk in some quarters of actually phasing out U.S. ICBM installations.

I believe such action would be unwise, and that it is entirely feasible, at not excessive cost, to adopt a new system of deployment that would not only permit the retention of our ICBMs—which contribute heavily to the total U.S. throw-weight—but would actually make these a more critical and effective component of the U.S. striking force. The system that would accomplish these ends would be a proliferation of low-cost shelters for what is called a multiple launch-point system. The essence of such a system would be to construct a large number of shelter installations, so that the smaller number of actual missile launchers could be readily moved and deployed among these installations on a random pattern deliberately varied at adequate intervals of time.

The ingredients for such a system are, I believe, already in existence, notably through the availability of sufficiently large areas of western desert land now owned by the Department of Defense. On this land there could be created a large number of hardened shelters, or alternatively the missiles themselves could be encased in hardened capsules redeployable among a large number of "soft" shelters. Preliminary study indicates that the research, development and procurement costs of a system along these lines would average approximately $1.5 billion a year in 1975 dollars over the next eight to ten years. Inasmuch as the current level of obligational authority for strategic weapons systems is on the order of $7 billion per year—much less, as already noted, than the comparable amounts obligated annually in 1956–62—I believe this is a cost we should be prepared to accept.

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The objective of creating such a new system of deployment would be to greatly increase the throw-weight costs to the Soviets of destroying a substantial portion of our deterrent forces. This is achieved with a multiple launch-point system, since in order to destroy the system virtually all of the relevant shelter installations would need to be destroyed. There would be many more hardened shelters or encapsulated missiles than the present number of fixed installations, so that the Soviets would be required to commit a larger portion of their throw-weight to this task than they would to the task of attacking fixed installations—the trade-off of U.S. throw-weight destroyed to Soviet throw-weight used would greatly favor the United States. Thus the Soviet advantage in a counterforce exchange would be drastically reduced or eliminated.

Furthermore, I believe that such a U.S. move would be likely to lead to Soviet countermoves that would have a constructive impact on the overall balance. The logical answer to such a U.S. move would be for the Soviet side to substitute either multiple launch-point missiles or SLBMs for a portion of their large fixed ICBMs. They would thereby increase the survivability of their systems, but at the cost of substantially reducing their throw-weight advantage. Such moves by both sides would greatly improve crisis stability and thus significantly reduce the risk of a nuclear war.

In essence, the multiple launch-point idea is a method of preserving and increasing the effectiveness of land-based systems by making them partially mobile. It is, however, necessary to take account of the usual argument advanced for banning land-based mobile missile systems. This argument is that it is more difficult to verify with confidence the number of mobile and thus redeployable launchers deployed by either side than it is to verify the number of fixed silos. The merit of this argument fades in a situation where up to 10 or 12 million pounds of MIRVed throw-weight can be expected to be available to the Soviet side under the limits contemplated by the Vladivostok Accord. With improved accuracy, less than four million pounds of MIRVed throw-weight could threaten the destruction of a high percentage of the fixed silos on the U.S. side. No practicable addition through unverified mobile launchers to the 10 to 12 million pounds of throw-weight permitted the Soviet side would compensate strategically for the additional throw-weight requirement that a U.S. multiple launch-point system would impose. A significant portion of a U.S. multiple launch-point system should survive even if the Soviet Union were to devote to the task of attacking it double the four million pounds of MIRVed throw-weight it would have to allocate to the

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destruction of our Minuteman silos.[19]

Undoubtedly, there are other programs which would also be necessary. In particular, it would seem to be essential, if the Soviet Union is to be permitted an unlimited number of Backfires, that we not grant them a free ride for their bomber forces. This would require a reversal of congressional action limiting support for the AWACS program. But taking everything into consideration, the magnitude of the U.S. effort required would be far less than that which we undertook in the 1957–1962 period in response to Sputnik and the then-threatened vulnerability of our bomber force.

VIII

Some of my friends argue that those knowledgeable about such matters should bear in mind the horrors of a nuclear war, and should call for U.S. restraint in the hope the U.S.S.R. will follow our lead. Having been in charge of the U.S. Strategic Bombing Survey team

[19] Under the Vladivostok Accord, both sides are permitted 1,320 MIRVed missile launchers. The maximum MIRVed throw-weight the Soviets could obtain within this limit with the missiles they are currently testing and beginning to deploy is:

4,500,000 pounds on 308 SS-18s (about 15,000 pounds each)
7,100,000 pounds on 1,012 SS-19s (about 7,000 pounds each)

for a total MIRVed throw-weight of 11.6 million pounds. However, it is unlikely that the Soviets will reach this maximum, as they are currently deploying some SS-17s, which will have a throw-weight of about 5,000 pounds, and they may choose not to MIRV all of their SS-18s. A more likely figure is less than ten million pounds of MIRVed throw-weight.

A reliable megaton-range RV with a CEP (circular error probable, a measure of accuracy) of 0.125 nautical miles has a probability of damage of 85 percent against a silo of 1,500 psi (pounds per square inch) hardness. The targeting of two such RVs on the silo would give a probability of damage of about 92 percent taking into account both reliability and accuracy. An SS-18 missile may have up to eight megaton-range RVs (International Institute for Strategic Studies, *The Military Balance, 1974–75*); thus a megaton-range RV may require around 2,000 pounds of throw-weight. The net throw-weight required, then, to threaten 92 percent destruction of 1,000 hard silos would be approximately four million pounds, assuming the Soviets achieve CEPs averaging an eighth of a mile.

A multiple launch-point ICBM system with 600-psi hard shelters or encapsulated missiles in soft shelters would require considerably more throw-weight for its destruction. To barrage attack such a mobile system deployed on 6,000 square nautical miles of land as an area target would require about 19,000 megaton-range RVs to achieve a 92 percent damage level. The throw-weight required for this force would be considerably above the Soviet available force. Even as low a damage level as 20 percent would require almost 4,000 megaton-range RVs, a throw-weight of at least eight million pounds.

Assuming the same factors for accuracy and reliability as used above in calculating the potential results of an attack on silo-based ICBMs, an equal probability of damage (85 percent for a single reliable RV) can be achieved against a 600-psi shelter with a 290-kiloton weapon. Since a Minuteman III, with a total of three RVs of less than 200-kt yield, has a throw-weight of about 2,000 pounds, an RV of 290-kt yield might require about 800 pounds of throw-weight. Thus a U.S. deployment of some 10,000 shelters would require eight million pounds of Soviet MIRVed throw-weight to threaten destruction of 72 percent of the multiple launch-point system. The entire ten million pound force would raise the level of destruction to only 77 percent. The cost of adding RVs to the Soviet attack force should be substantially greater than the cost to the United States of adding shelters. In any case, it would appear technologically infeasible to reduce the throw-weight required per RV to less than 300 pounds, even if accuracies were eventually to approach zero CEP.

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of 500 physicists and engineers who measured the detailed effects of the two nuclear weapons used at Nagasaki and Hiroshima, the only two such weapons ever used in anger, and having been associated with many of the subsequent studies of the probable effects of the more modern weapons, I am fully sensitive to the first point. But to minimize the risks of nuclear war, it would seem to me wise to assure that no enemy could believe he could profit from such a war.

As to the second point, Helmut Sonnenfeldt, Counselor for the State Department, recently described the preconditions for the U.S. détente policy in the following terms:

> The course on which we embarked requires toughness of mind and steadfastness of purpose. It demands a sober view not only of Soviet strengths but of our own. It is an attempt to evolve a balance of incentives for positive behavior and penalties for belligerence; the objective being to instill in the minds of our potential adversaries an appreciation of the benefits of cooperation rather than conflict and thus lessen the threat of war . . . . Interests will be respected only if it is clear that they can be defended. Restraint will prevail only if its absence is known to carry heavy risks.[20]

Unfortunately, I believe the record shows that neither negotiations nor unilateral restraint have operated to dissuade Soviet leaders from seeking a nuclear-war-winning capability—or from the view that with such a capability they could effectively use pressure tactics to get their way in crisis situations.

Hence it is urgent that the United States take positive steps to maintain strategic stability and high-quality deterrence. If the trends in Soviet thinking continue to evolve in the manner indicated by the internal statements of Soviet leaders, and if the trends in relative military capability continue to evolve in the fashion suggested by the prior analysis, the foundations for hope in the evolution of a true relaxation of tensions between the U.S.S.R. and much of the rest of the world will be seriously in doubt.

[20] Helmut Sonnenfeldt, "The Meaning of Détente," *Naval War College Review,* July–August 1975, pp. 3–8.

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CONTROLLING THE DEFENSE BUDGET

By Barry M. Blechman and Edward R. Fried

WHEN President Ford presented his 1976 defense budget to the Congress in January 1975, the Administration stressed the need to reverse what it described as a 10-year trend of declining U.S. military capabilities relative to those of the U.S.S.R. As a consequence, the President requested an appropriation of $105 billion for the Department of Defense, an increase of 15 percent over the previous year. About half of this increase was simply to offset the effect of inflation. The other half, however, was to fund the first-year costs of a continuing program to increase the size of conventional forces and to expand nuclear capabilities at a fairly rapid rate.

After an extensive review of the defense budget, the Congress in November 1975 reduced the request by approximately $7.5 billion on an annual basis, or in other words roughly the amount necessary to keep defense expenditures constant in real terms, that is, adjusted for inflation. These cuts, however, were applied in such a way as to trim a very large number of individual defense expenditure categories, while halting very few programs. Thus, consciously or not, the Congress, despite the cuts, continued to lend support to the Administration's plans to expand military forces.

Should these plans be carried out over the future, the defense budget in real terms would increase by more than four percent a year over the rest of this decade. By 1980 military spending would be about $115 billion in dollars of today's purchasing power, and still trending upward. Put another way, it now seems likely that military spending will continue to absorb about one-fourth of the total federal budget and roughly six percent of total national output for the indefinite future. And even this prospect depends on the international environment staying pretty much in its present fairly equable state. Should foreign relations take a sharp turn for the worse, requirements for defense spending could rise even more rapidly.

One would think that the nation would set off on such a course only after the most thorough deliberation. Yet, curiously enough, the annual debate about whether the military's share of the nation's resources is too big, just right, or too small, hardly measures up to the costs involved or the importance of the underlying military and political issues.

Typically, the President, the Secretary of Defense, and the nation's

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military leaders argue that the United States is getting a bargain. They contend that the proposed level of military spending is barely enough to keep up with the steadily growing Soviet defense program, that it is essential for a stable world order, and that it is a tolerable economic burden. Anything less would jeopardize the nation's security. For support, they point to a number of impressive facts. Not only has the Vietnam War bulge been eliminated, but the armed forces are now even smaller than they were in 1964—the last year before the buildup. Military manpower has been reduced by one-fifth, or by 500,000 people; there are three fewer Army divisions; and the number of naval vessels has been halved. This shrinkage made it possible to pay the Vietnam peace dividend in full; since 1969, the proportion of budgetary resources devoted to military purposes has dropped steeply and the proportion devoted to social programs has risen sharply. Similarly, the relative burden of defense declined from more than nine percent of national output in 1968 to approximately six percent today, the level where it now seems likely to stay. In sum, the Administration contends that further reductions in military strength would prove to be a costly mistake; indeed, the United States must now start to rebuild forces and to modernize them more rapidly.

Other political spokesmen—the nation's mayors at their annual convention, most of the Democratic presidential hopefuls, much of the Congress—disagree. They argue that military spending still is needlessly diverting limited federal funds from pressing social needs and assert that the defense budget can be reduced further without risk. For support, they unearth cost overruns on new weapons and wasteful military personnel practices that get headlines. And they point to a different set of impressive facts: namely, that the present armed forces, although smaller in size, are more mobile and sustainable in combat, pack greater firepower, and can be used more flexibly than the forces with which the nation entered the Vietnam War. But most of all, critics contend that the cold war has ended—or, at least, that the world is a much safer place than it was 10 or 15 years ago. Consequently, they say, the United States should now devote fewer, not greater, resources to defense.

Posed in these extreme terms, the two views are fundamentally irreconcilable, leaving the size of the defense budget to be settled by subjective judgments about how much defense insurance to carry against an amorphous set of risks, or by the vicissitudes of politics, or simply by inertia. Lacking is a sense of the major issues involved and the specific choices to be faced: what factors are driving up de-

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fense costs, how can they be contained, and with what consequences?

II

For a number of years now, the United States has been moving toward a defense structure costing progressively more per unit of force—a trend that has had and continues to have the most profound consequences for the defense budget and the nation's choices. It costs much more in real resources today to maintain an infantry combat soldier in the field, or to operate an Air Force plane or a Navy ship, than it did say ten years ago. As a result, the sizable reductions in military forces that followed Vietnam have not brought anything like commensurate reductions in the defense budget, and cost pressures to reduce forces further continue to be severe.

Three factors are responsible: a sharp jump in the price of defense manpower (military and civilian salaries); a high ratio of support to combat manpower; and the increasing cost and sophistication of weapons.

By far the most important of these factors has been the rise in pay scales. Contrary to a widely held belief, these pay increases did not result from the abolition of the draft; in fact they antedate the shift from conscription to an all-volunteer service. In 1968 the Congress passed legislation to bring all federal pay scales, military and civilian, up to levels competitive with those in the private sector, and to keep them that way. This resulted in "catch-up" pay raises in 1969 and 1970, and especially large ones for the military whose pay had been abnormally depressed. From then on, pay rose each year more or less in line with wage increases in private industry. The Defense Department, with three million employees, three-fourths of all federal personnel, was struck particularly hard. The new pay policy caused a huge increase in defense costs.

In brief, considerations of equity caused a system characterized by persistent underpayment of personnel to be replaced by one based on competitive market forces. As a result, the element of the "free good" in defense manpower—and hence in the defense budget—was eliminated, even overcorrected in some respects. And the cost ran high.

All told, if the average pay of defense manpower had increased since 1968 by no more than the average rise in the private sector, the 1976 defense budget would be approximately $7 billion lower than it is. The 1968 comparability legislation accounts for nearly three-fourths of this difference. The remainder was caused by pay raises and bonuses offered to attract volunteers, particularly those with special

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skills, and by the sharp rise in the average rank of military personnel that resulted from the Vietnam buildup and phasedown, a rise only now being reversed.

Unfortunately, higher pay scales did not produce any notable offsetting economies in the use of defense manpower. On the contrary, the number of military and civilian personnel employed to man, train, direct, sustain, and otherwise support each combat unit is now substantially larger than it was ten years ago. This has aggravated the effect of higher pay on the defense budget. In part, the higher "tail-to-teeth" ratio can be explained by advances in technology, which, as in private industry, generally go hand in hand with needs for more people to maintain and to operate equipment. Other reasons are not so easy to understand. It is taking an inordinately long time to shrink the large support establishment built for the Vietnam War, particularly to close excess military bases and to cut back on the training establishment. And there is not much evidence to suggest that military administrators have seriously considered radical changes in personnel policies as a means of adjusting to the much higher price of manpower.

Then there is the steady increase in the cost of weapons, a fact that generally attracts the most attention in debates on the defense budget. Each new generation of weapons is more technologically advanced than its predecessor, and also much more expensive. In dollars of constant purchasing power, the Navy's F-14 fighter costs five times as much, and the Air Force's F-15 three times as much, as the original cost of the F-4, the aircraft they are replacing. Similar comparisons can be made for the proposed nuclear-powered strike cruiser (priced at $1.2 billion), or the B-1 strategic bomber (now estimated to cost $88 million apiece), or most other major weapons ranging from nuclear submarines to tanks. Most of this increase stems from the higher performance constantly demanded of each new weapons generation, the need for which is not always self-evident.

While this trend is well understood and widely publicized, it is by no means about to be reversed, or even brought under control. Nor are its consequences fully grasped. In terms of current budget dollars, annual investment in major weapons systems and other military capital goods continues to rise. But once inflation is taken into account, it becomes evident that real investment has remained remarkably constant for many years. In effect, the spectacular growth in the cost of weapons is causing a steady reduction in the number of units purchased. Consequently, as far as weapons are concerned, U.S. military forces are steadily trading quantity for quality—partly by

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preference, but partly as an expedient response to fiscal pressures. Such a trade-off cannot continue indefinitely.

In summary, as the cost of manpower has come to dominate the defense budget, military planners have been caught in a squeeze between the constantly rising cost of each unit of military force and the relatively steady ceilings on total spending (after adjusting for inflation and eliminating the incremental costs of the Vietnam War). Thus far the response has been piecemeal, serving principally to put off a day of reckoning that is becoming increasingly more difficult to postpone.

III

The 1976 defense budget continued in the same tradition.[1] The Ford Administration responded to the defense dilemma by grappling with the problem of rising unit costs as best it could without making any fundamental changes in military policies and objectives. Indeed, cost problems were aggravated by plans to increase combat forces over the next five years—three more Army divisions, three more tactical air wings, and perhaps 40 more Navy ships—and to expand strategic nuclear capabilities at the same time. The Administration proposed to finance this expansion in two ways: by improving efficiency—trimming fat from the support establishment and simplifying some weapons designs; and by increasing the defense budget at about the same rate as the normal growth in national output, leaving no margin for gradually shifting American resources from military to social needs.

Concern over the future course of Soviet military programs dominated these decisions. There is no disagreement that in the past ten years the Soviet Union has improved its military position relative to that of the United States. There is a great deal of debate, however, about how large the growth in Soviet military capabilities may be, about its significance for the East-West military balance, and about its political implications. In any circumstances, the Administration believes that the trend itself must now be halted or reversed; if not, there could be a serious deterioration in America's political position in the world, which in turn would threaten prospects for keeping the peace.

[1] The shorthand term, "1976 defense budget," is the budget for the present fiscal year which began on July 1, 1975. Under the new congressional budget process, the next fiscal year will begin on October 1, 1976. The appropriation this year includes a separate amount for the three-month period from July 1, 1976, to September 30, 1976, to take care of the transition. These additional funds are not included in any of the figures cited in this article, which are on an annual basis.

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To avoid such risks, the Administration argues that it is necessary to maintain the present large military establishment in being, and to push for selective increases in its capabilities. In fact, the argument goes, the size of the defense budget, as the most comprehensive measure of present and future military capabilities, is viewed abroad as an eventful signal of U.S. willingness to underwrite its international commitments, and therefore is itself an important determinant of the state of international equilibrium. This belief, more than any assessment of requirements in specific scenarios of potential military conflict, caused the Administration to seek a substantial increase in the defense appropriation.

In the end, though, budgetary totals are almost all translated into programs for the acquisition or operation of specific kinds of military forces. Payments for military pensions and foreign aid, which account for about ten percent of the defense budget, are the exception; neither has much to do with present or future U.S. military capabilities. The remainder of the budget can be divided between strategic and conventional forces.

Strategic nuclear forces, accounting for about 18 percent of the budget, consist of long-range nuclear-armed missiles based on land and on submarines, intercontinental bombers, air and missile defenses, and warning and control systems.[2]

Decisions on the necessary size of strategic forces are governed primarily by perceptions of the U.S.-Soviet strategic balance. Two assumptions are important. The first is that effective defense against missile attack is impossible; instead, the United States seeks to deter nuclear war by maintaining strategic forces capable of withstanding any conceivable attack and retaliating with a devastating strike on the Soviet Union. The second assumption is that the United States must match Soviet strategic capabilities, even beyond what would be required to maintain secure retaliatory capabilities. Failure to do so allegedly might cause Soviet decision-makers to take greater risks during crises and might persuade other nations that the balance of military power was shifting away from the United States. As a result, spending on strategic forces is much larger than would be required for strictly retaliatory purposes alone.

[2] This percentage, as well as the others that follow, relates to allocation of funds within the budget totals approved by the Congress, not to the original Administration request. Of the amount for strategic nuclear forces, totaling about $17 billion, $7 billion represents the cost of weapons, matériel, research and personnel directly attributable to strategic forces. The remainder is the proportion of research and development, intelligence, communications, and administrative overhead costs which under the methodology used in The Brookings Institution's annual budget review, *Setting National Priorities,* may be allocated to strategic forces.

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Conventional forces include ground, air, and naval units. Together they account for about 72 percent of the defense budget.

Ground combat forces have the largest share of the defense budget —28 percent. By the end of Fiscal Year 1977, these forces are slated to consist of three Marine and sixteen Army divisions, three separate Army brigades, and various support units. A large share of American reserve manpower also is assigned to ground combat—nine full divisions, 24 separate brigades or regiments, and numerous support units.

The Air Force, the Navy, and the Marine Corps each contribute units to U.S. tactical air forces. The Air Force now mans 22 tactical air wings and plans to add three more within a few years. Navy units, which are based on aircraft carriers, will soon be reduced to 12 wings; there were 15 Navy wings in 1964. The Marine Corps has three tactical air wings, with no changes contemplated. Together, tactical air forces account for 24 percent of the defense budget.

Naval forces consist of warships, submarines, and land-based patrol aircraft. Aside from strategic submarines, there were 840 ships in the active fleet in 1968. There are about 450 ships in the fleet at present, with plans calling for this number to rise to nearly 540 ships by the mid-1980s. The cost of naval forces accounts for 17 percent of the defense budget.

Finally, the United States maintains long-range and medium-range cargo aircraft, known as mobility forces, which have minor budgetary significance.

The primary purposes of U.S. conventional forces are to maintain a reasonable balance of conventional power in Europe and to perform a stabilizing role in Asia. Forces for Europe dominate requirements; they contribute to a credible NATO military posture in the region and are part of a closely integrated, multinational defense organization. U.S. forces for Asia are spread widely, from Japan and Korea in the north to the Philippines and Thailand in the south. They support a variety of political objectives, from explicit treaty guarantees in Japan to more ambiguous commitments in Southeast Asia. U.S. armed forces are also intended to protect other U.S. interests abroad —most notably to enable the United States to exercise influence in the Middle East and around the Indian Ocean—but such interests are supported in good part with forces primarily maintained for Europe or East Asia.

How contemplated U.S. conventional forces—those deployed abroad and those based in the United States—might be apportioned between the two theaters is shown in the following table:

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Type of Force	*Oriented toward Europe*	*Oriented toward Asia*	*Unallocated*
Active Army Divisions	9	5	2
National Guard Divisions	8	0	0
Marine Divisions/Wings	1	2	0
Aircraft Carrier Task Forces	6	6	0
Air Force Tactical Squadrons	21	9	38

All told, of the $72 billion allocated for conventional forces, about $40 billion will be used for forces for Europe, $20 billion for forces for Asia, and $12 billion for forces that cannot be apportioned to either theater.

IV

Essentially, the Administration's budget strategy concentrates on avoiding short-term risks and political difficulties, a course that could prove to be dangerous over the long haul. In view of present cost trends and the certainty that present fiscal constraints will continue, if not tighten, there can be no guarantee that U.S. military forces will be adequate to carry out their present roles. By standing pat on military strategy and by seeking to keep the three-million-man defense workforce intact, the Administration's budgetary decisions, in fact, risk a steady erosion of the East-West balance in the few places where it really matters, places where deeply unsettling political consequences could result.

Congressional reactions to requests for increases in the defense budget, which in turn reflect troubled national attitudes toward the level and composition of federal spending, offer ample evidence that this erosion will take place. Being unwilling either to permit defense budgets to rise beyond inflation, or to challenge fundamental military policies, the Congress also has temporized. It seeks short-term economies by reducing the number of weapons purchased in a single year, without changing the total number in the program. Or it slows down development programs without killing the proposed new weapons altogether. Or it reduces operating budgets without cutting manpower significantly, thus causing longer queues of equipment waiting for overhaul, smaller stockpiles, and other reductions in readiness.

Congressional action on the 1976 defense budget is a good illustration of this point. The three biggest items in the $7 billion defense cut are little more than window dressing. For example, the President's request for $1.3 billion for military assistance to South Vietnam, which the Congress has eliminated, obviously had been overtaken by events. Another $1 billion was cut from funds requested to

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pay for cost growth and greater-than-expected inflation in the price of naval vessels that had been authorized in prior years, in one case as far back as 1964. Contracts on most of these ships have already been let; since none were cancelled the cost obligations continue to exist and will have to be paid in future years. The third largest item seems equally evanescent. The Department of Defense requested $800 million essentially to manage the replacement of some of its stocks on something approximating last-in-first-out accounting principles and thus coping with the effect of inflation on this part of its budget on a more current basis. The Congress decided this was unnecessary.

Most of the remainder of the budget cut consisted of reductions in hundreds of individual items, made almost on an across-the-board basis. Their main effect will be to delay rather than to alter procurement goals and to lengthen schedules for the maintenance of equipment. Only $200 million resulted from imposed reductions in personnel and no more than $500 million from the termination, as distinct from the stretching out, of major weapons programs (nuclear-powered cruisers being the principal casualty).

The crucial point is that only 10 percent of the total $7 billion reduction in the defense budget will have a lasting effect on future budgets. Rather than shape the defense posture to accord with some vision of its own about purposes, the Congress for the most part has implicitly supported the Administration's defense objectives, but without providing the resources to achieve them.

If this annual charade continues—the Administration proposing and the Congress disposing, but neither confronting the hard choices—the inevitable drift will be toward a growing gap between defense capabilities and the purposes the armed forces are supposed to serve. Eventually, massive cuts in U.S. commitments will have to be made to bring ends and means into alignment. If present budgetary strategies continue, such a realignment will take place not as part of an orderly and gradual reassessment of defense priorities but as a slashing and largely indiscriminate response to fiscal pressures. Important interests will be dumped along with the less important, and good policies will be thrown out with the bad.

V

There are better ways to deal with the defense dilemma. A reappraisal of the links between foreign policy and military forces is the place to begin.

U.S. military forces are designed in good measure to support foreign policy and not simply to defend the nation from attack. Neither

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the U.S.S.R. nor anyone else is going to invade the United States and, by mutual agreement, neither the United States nor the Soviet Union attempts to defend itself against nuclear missiles. Maintaining physical security requires only a strong nuclear force to deter attacks; a small navy to watch over the coasts, prevent smuggling, and keep foreign fishermen out of U.S. waters; some tactical air units to monitor the air space and to hedge against the unknown; army units to guard against incursions of outlying U.S. territory, control civil disturbances, and cushion against uncertainties; and a fairly extensive research and development program to keep up with advances in military technology. If the defense of U.S. territory were the only mission of the armed forces, the defense budget could probably be halved.

Unfortunately, while the savings would be very large, they could be achieved only by accepting very grave risks. Today's version of "Fortress America" would not protect vital U.S. interests in Europe, the Middle East and Japan. Indeed, the political disruption following the adoption of such a position would immensely complicate the task of avoiding another world military catastrophe.

In recognition of this danger, most Americans would agree that the continuance of a substantial U.S. contribution to the defense of Western Europe is essential to U.S. security. This defense commitment serves three purposes: *militarily,* it underpins the perception that East-West forces in Central Europe are in reasonable balance; *politically,* it avoids the possibility that German military forces would come to dominate non-German forces in Western Europe—a development which would be profoundly disturbing to other Western European countries and even more so to the U.S.S.R.; and *economically,* it provides a foundation for the close association between the United States and Western Europe that makes possible the unprecedented and mutually beneficial interdependence between them. How large U.S. forces for Europe must be to help ensure a politically stable military balance in the region is difficult to judge, but in view of continuing improvements in Soviet military capabilities, there are no obvious reasons to believe that they could be much smaller than they are now.

Nonetheless, there are a host of questions to be asked about whether U.S. forces are effectively organized for their role in Europe, particularly because it seems increasingly obvious that a war in the region, should it occur, is likely to be relatively short and intense, rather than a replay of World War II. Evidence of this includes Soviet military doctrine, the structure, characteristics, and disposition of Soviet ground and air forces, the incredibly high attrition rates experienced during the most recent conflict between modern armies—

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the October 1973 War in the Middle East—and the prominent deployment of tactical nuclear weapons on both sides.

If U.S. forces for European contingencies were designed more to fight short wars than protracted ones, the shift would have profound implications for the composition of U.S. military forces—the structure of the Navy, the characteristics of aircraft, the size of the Army's support establishment, and the annual investment of over $2 billion in reserve divisions that could not possibly reach Europe in time to be of any use in a relatively short conflict. Furthermore, there are important efficiencies to be achieved through the closer integration of U.S. and allied forces in Europe and through standardization of NATO weapons. Reforming U.S. military forces to improve their effectiveness in European contingencies and integrating them more closely with other NATO forces would take time to carry out and would not be likely to produce early reductions in the size of the defense budget. These actions, however, could ease pressure considerably for continued increases in military spending and, depending on the depth of reform, could eventually bring substantial economies.

There also is fairly general support in the United States for policies that seek to deter Soviet intervention in the Middle East. This objective can largely be satisfied by the military forces maintained for contingencies in Western Europe, however, and thus poses only small incremental demands on the defense budget.

In Asia, U.S. interests center on Japan. The likelihood of overt aggression against Japan is remote. The danger lies elsewhere, in Japan's possible reliance once again on national military—and perhaps nuclear—power to assure her security and her economic welfare. Japan is most likely to remain a lightly armed non-nuclear power only as long as she remains in close association with the United States and Japan's leaders and public remain convinced that U.S. policies will help to safeguard Japan's security.

Many Japanese see the deployment of some U.S. forces to Japan herself, to Korea, and to the seas around Japan as the best guarantee that this will be the case. How large these forces need be, however, cannot be determined by trying to calculate requirements for a military balance, as in NATO, because the threats to Japan are so intangible. Psychological factors are more important in this case, along with a continued U.S. willingness to cooperate closely with Japan on economic and political questions.

In Southeast Asia, on the other hand, there are no U.S. interests comparable to those in Japan. Even before the fall of Vietnam, a broad national consensus developed that opposed U.S. participation

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in Southeast Asian wars. Subsequently, Vietnam has come to be viewed as persuasive evidence that military power is not an effective means of protecting U.S. interests in this region. Moreover, China's intentions are now seen in less threatening terms than they were ten years ago. And U.S. defense officials now recognize severe limits on Chinese military capabilities.

Compared with these requirements and interests, the forces the United States maintains for Asian contingencies are excessive, primarily because changes in the U.S. military posture have not kept pace with changes in the political environment. Even now, the United States has 140,000 troops in Asia and the western Pacific, principally: the Second Infantry Division in Korea; the Third Marine Amphibious Force in Okinawa and the Japanese main islands; three Air Force tactical wings in Korea, Okinawa, the Philippines, and Thailand; and the Seventh Fleet, operating in the Pacific and the Indian Ocean from bases in Japan and the Philippines.

Moreover, some forces based in the United States are trained, equipped, and deployed so as to suggest that they are primarily earmarked for, and justified by, Asian contingencies. These forces include four more Army infantry divisions, the Second Marine Amphibious Force in southern California, and the Third Fleet operating in the eastern Pacific from Hawaii and California.

We believe these forces could be reduced by about one-fourth, making it possible, for example, to eliminate two Air Force wings, two Army divisions and three Navy carrier task forces from the U.S. force structure. In making any reduction, the choice between units deployed overseas and those based in the United States is a difficult one. The forces deployed abroad are most important to Japan as visible evidence of the U.S. commitment. On the other hand, overseas deployments sometimes cause friction with local populations, adversely affect military morale, and limit the flexibility of U.S. foreign policy.

The Army division in Korea is a case in point. In view of the size and numerical superiority of South Korean ground forces over those of the North, it contributes little to the military balance on the peninsula. Thus the decision to keep U.S. ground forces in Korea rests on a political evaluation. The location of a U.S. division near the demilitarized zone limits U.S. freedom of action in the event of a new conflict. By the same token, the automaticity of U.S. involvement is probably the single most important reassurance to Japan of the U.S. commitment to the defense of Northeast Asia. Moreover, its presence probably exercises a restraining influence on North Korean and Chinese actions.

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Assuming a one-fourth reduction in the forces oriented toward Asia, the cost implications would be the same whether the forces were removed from Asia and disbanded, or simply eliminated from bases in the United States. Either way, if the reductions were made gradually, say over a four-year period, the annual budgetary savings by 1980 would amount to over $5 billion.

What about strategic forces? There can be no question about spending whatever is necessary to maintain secure retaliatory capabilities, since this is the only available means of deterring a Soviet nuclear attack and preventing Soviet nuclear blackmail. But what about programs that go beyond the requirements of maintaining secure retaliatory capabilities? Is it necessary to match Soviet forces in every aspect of strategic power? Do adverse political consequences result from specific imbalances that might develop?

We think not. Maintaining a rough strategic balance with the U.S.S.R., broadly and flexibly defined, should be sufficient to avoid negative political repercussions. We base this view on the judgment that the immense destructive potential of nuclear weapons leads decision-makers throughout the world to consider them unusable. Consequently, relative differences between U.S.-U.S.S.R. strategic capabilities, within wide limits, are irrelevant for decisions by officials in the United States, in the Soviet Union, or in other nations. Decisions taken during crises are far more likely to reflect estimates of relative, applicable, conventional military capabilities (and the will to use those forces) than comparisons of the size or number of strategic missiles on each side.

Moreover, we believe that the Administration's focus on specific measures of strategic capability, such as missile throw-weight, unnecessarily causes observers in foreign nations to attach undue importance to a range of competitive actions and reactions in the strategic field. It thus leads the superpowers to carry out various weapons development programs that might otherwise be avoided; and it also increases the significance attached to nuclear weapons, thus aggravating the proliferation problem.

If the Soviet Union has the advantage in missiles, we would argue that the U.S. advantage in long-range bombers constitutes a sufficient political counterweight. More fundamentally, as long as the United States makes an effective contribution to the conventional defense of Western Europe and Japan, strategic parity with the Soviet Union, broadly defined, is all that is needed for foreign policy reasons. Additional programs, justified on these grounds, are wasteful and potentially destabilizing.

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Planning strategic forces on this reasoning would call for restraints on new weapons programs and would gradually produce substantial budgetary savings. For example, the United States could terminate programs to develop new generations of land-based missiles, retire older strategic bombers and slow down the program to build a new one (the B-1), and cut some research programs to develop entirely new delivery systems, such as the air-breathing cruise missile launched from submarines. By 1980, savings from steps such as these could amount to $3–$4 billion a year, all stemming, it should be emphasized, from a reexamination of foreign policy, not military, requirements.

Defense manpower policy is another area in need of reappraisal, if not radical surgery. Today, military pay and allowances, civilian pay, and military retirement pensions together account for more than one-half of the defense budget. Training and medical care raise the proportion to 60 percent. Put bluntly, unless the number of military and civilian employees is reduced, it will be impossible to keep the defense budget under control.

Reductions in force levels along the lines we already have outlined would reduce defense manpower, but in addition, it should be possible to save on manpower costs by using the defense workforce more efficiently. Present personnel practices, based on a rather profligate use of manpower, are a legacy from an era when military manpower was extraordinarily cheap. At that time, they could be afforded; now they create an intolerable burden.

While the Defense Department has moved toward greater efficiency over the past two years, a great deal more could be done to eliminate unnecessary or only marginally useful jobs. There is persuasive evidence for this allegation:

— While military manpower has declined by 40 percent since 1968, civilian manpower, which after all only supports the people in uniform, has declined by 23 percent.
— While the number of Navy ships has declined by 50 percent since 1968, the number of people in Navy uniform is down by only 30 percent.
— The military "pipeline," the number of people in transit or in classrooms, is extremely large. At any one time, one-seventh of all military personnel—some 300,000 people—are either in formal training courses or travelling between assignments.
— Military training schools are too costly. The ratio of students to instructors and support personnel is 1.5 to 1, a much lower ratio than exists in any other educational community in the country.

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Colleges, for example, run at a 15 to 1 ratio, while the ratios in vocational schools, which are probably the closest analogy, run from a minimum of 2 to 1 to well over 100 to 1.

— Despite some changes and consolidations in recent years, there are still military bases that are excessive for current needs, but which have not been closed down because of congressional opposition.

Manpower requirements are very sensitive to these factors. Raising the average student-to-teacher ratio to 2 to 1, for example, would save 40,000 people. Similarly, shortening basic-level skill-training courses by one week would save 10,000 people. All told, reforms aimed at cutting the support overhead probably would reduce the number of Defense Department employees by at least 200,000 people over a four-year period; by 1980, annual savings would amount to $3 billion.

Other aspects of the personnel system also need reexamination. The military health-care system alone costs over $3 billion a year, with three-quarters of the eligible beneficiaries consisting of dependents and retired military people. If, instead, the Defense Department covered the dependents by a Blue Cross/Blue Shield type of program, it could probably save close to $500 million a year.

Finally, reform of the military pay and retirement systems is long overdue. Both are excessively costly, now that military pay scales are competitive with those in private industry. For example, a military pay system that was made more visible and understandable, that is, one based more heavily on salaries and less on a multiplicity of special allowances and benefits, could itself become a force for using military manpower more efficiently at low cost. Similarly, modernizing the military retirement system so as to bring it in line with the federal civilian retirement system could produce annual savings of $1 billion within perhaps 15 years, with the amount growing steadily thereafter. This is a long time to wait for results, but putting off reform is a poor alternative because then the burden that these anachronistic systems place on the defense budget will inexorably increase.

VI

It is wrong to believe that the United States will or should dismantle its defense forces overnight and shuck off foreign responsibilities as though they were figments of the imagination. For many years to come U.S. military power will continue to be the cornerstone of stable political relations with Europe and Japan and an indispensable basis for preserving a tolerable equilibrium with the Soviet Union.

But this is not a vote to perpetuate a defense status quo; on the con-

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trary, defense policies must be changed if these essential missions are to be carried out effectively. To avoid costly disruptions, however, adjustments should be made discriminately, gradually, and with an eye to where we want to be a number of years in the future.

This will be difficult going. There is not much glamor in taking a hard look at retirement or health care or training systems. Even a reappraisal of U.S. commitments and interests abroad and what they mean or do not mean for military requirements can be grubby stuff. But this is where the money is. And these are the kinds of questions that will have to be faced and the kinds of changes that will have to be made if the United States is to spend less on defense and get more for its money.

Other important rules of the defense budget game should be kept in mind. Bringing troops home *in itself* does not save money. Military units cost about as much to maintain abroad as at home. Costs depend not on where the troops are located, but on how many are kept in the force structure. Political considerations are quite different, however; because of them, U.S. forces located in Europe are probably the best bargain, while those in Southeast Asia are the worst.

Another rule is that preoccupation with expenditures in the current year amounts to a bad way of reviewing defense spending. Today's military plans determine tomorrow's defense budget. It is more important to change the plans than to try to cut their initial cost. Furthermore, it is sometimes necessary to accept initial one-time costs in order to realize much larger savings in future years.

Perhaps the most important rule is that manpower should receive at least as much attention as weapons. It is always tempting to concentrate on weapons because they wrap up a lot of money in one package. Certainly it is true that some weapons systems make much more sense than others; moreover, the trade-off between quantity and quality will have to be faced squarely and not decided by bureaucratic infighting or congressional logrolling. In short, the types of weapons chosen must provide maximum support for the military and political purposes the armed forces are to serve. But there are good reasons why the total amount spent on all weapons systems together should not decline, and possibly should increase, principally because, as in private industry, advancing technology could lead to an increase in the amount of capital used in support of personnel. Consequently unless defense manpower and force levels are reduced and used more efficiently, it will be impossible to keep the defense budget under control.

What, then, are the prospects for formulating and reviewing the defense posture along these lines? Here the new congressional budget

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procedure, which in effect establishes a congressional executive committee on the budget, is a factor of potentially great significance. The trial run in 1975 provides the basis for a preliminary assessment.

The new procedure forces the Congress to confront the trade-off between spending on defense and spending on other programs. This is all to the good, but in itself will not assure increased efficiency or better use of defense funds. It is at least possible, however, that the imposition of congressional targets for defense spending each year will lead to a give-and-take and then to serious cooperation between the Defense Department and the Congress in the process of determining how defense funds can best be used. Furthermore, as the House and Senate Budget Committees, supported by the Congressional Budget Office, concentrate on the key factors affecting budgetary spending, new interest may develop in reviewing the future cost implications of present defense programs and eventually in authorizing defense expenditures on a multi-year basis. Developments such as these could have a substantial positive influence in controlling the defense budget.

Following these rules will not radically change the nation's priorities as between defense and everything else. Nonetheless, a lot of money is at stake, much more than can realistically be busted free from any other area financed in the federal budget. The specific actions we have suggested for exploration would make it possible eventually to save roughly $15 billion a year (in dollars of today's purchasing power) in defense spending, a smaller amount at first and reaching the projected figure by 1980. These cuts would represent continuing savings, not the mere postponement of expenditures. This is another way of saying that if the United States used its military resources more effectively the burden of the defense budget could decline gradually from six percent to about five percent of the nation's total output.

Ultimately, considerably more may be possible. A steady U.S. course in maintaining strategic parity with the U.S.S.R. and in helping to maintain a military balance in Europe and Northeast Asia provides at least the hope of reaching more extensive arms-control agreements with Moscow and of creating an international environment in which military forces can be further reduced at acceptable risk to the general peace. Such additional savings, however, are potential rather than actual; attempting to draw upon them in advance would prevent their realization.

Meanwhile, this wealthy and productive nation can afford the armed forces it needs. To aim at less would be foolhardy. But to spend more, wastefully, could prove to be equally dangerous in the end.

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THE THORNS OF THE PORTUGUESE REVOLUTION

By Kenneth Maxwell

DURING the early hours of that remote Portuguese spring of 1974, a graffito appeared at the Technical Institute of Lisbon. It read: "Revolution of roses: petals for the bourgeoisie, thorns for the people." Twenty months later, with Portugal on the brink of civil war and Angola plunged into fratricidal warfare, it is surprising anyone should have been so sanguine. There would be thorns enough for everybody. Real political, economic and strategic assets were threatened when Premier Marcello Caetano was packed off to a comfortable exile in Brazil. If this was not perceived at the time, it was because these assets had been taken entirely for granted for so long, and the end was so sudden and effortless.

But change is peaceful only as long as it is not opposed, and once the issues at stake in Portugal and Africa became clearer, opposition was inevitable. Although the uprising on April 25, 1974, was not yet a true revolution, it was no ordinary coup d'état either. It brought down Europe's oldest dictatorship, ended Europe's oldest empire, and thrust to the forefront a very curious hybrid, a group of young European military officers, profoundly influenced by the theory and practice of national liberation struggles outside Europe, who saw themselves as a revolutionary vanguard. That much should have been clear at the time. It was not. Portugal's Western allies were unprepared for what happened, and during 12 critical months the panicked, makeshift and defensive measures the Western powers devised as policy have established precedents with very profound and dangerous implications for the future.

Four interrelated sets of factors made Portugal a critical fulcrum. Each is essential to an understanding of the sometimes baffling reactions to events in Lisbon over the past year.

II

The Portuguese had led European overseas expansion. Discovering the wind systems of the Atlantic, perfecting techniques of navigation and adapting their ships for long-range voyages, the Portuguese opened the trade routes to Africa and the Indian Ocean. By so doing, they initiated the explosive interaction of cultures, peoples and economies that have made the modern world.

Portuguese claims to Guinea-Bissau, Mozambique and Angola thus

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reached back to the fifteenth century, but the geographical delineation of these territories and modern economic exploitation of their natural resources were more recent. Portugal's African empire, more than the Portuguese ever cared to admit, was an empire by default, consisting of regions that more powerful competitors during the halcyon days of imperialism could not agree to divide among themselves. Angola and Mozambique no less than the Belgian Congo or the Rhodesias were creations of the nineteenth-century scramble for Africa.

From the beginning, moreover, Portuguese overseas expansion had been a cosmopolitan affair. Portugal provided the men, rarely the capital. Lisbon's possessions in southern Africa with their vital rail and port facilities, and Angola in particular, which, outside South Africa, is potentially the richest territory in the continent, were intimately linked into the vast interlocking mining, financial, commercial, and industrial complex of southern Africa. There, British, Belgian, German, French and South African interests have jostled, combined and competed since the 1890s. This international penetration would not disappear once the Portuguese had gone. In fact it was likely to intensify, particularly if the Western and South African interests felt themselves threatened.

Portugal was the last European power in Africa to cling tenaciously to the panoply of formal dominion. And this was no accident. For a long time Portugal very successfully disguised the nature of her presence behind a skillful amalgam of historical mythmaking, claims of multiracialism, and good public relations. The reality was something different. As the late Amílcar Cabral, founder of the liberation movement in Guinea-Bissau, said, "Portugal could not afford neocolonialism." Economic weakness at home made intransigence in Africa inevitable. It was precisely through the exercise of sovereignty that Portugal was able to obtain any advantages at all from its "civilizing mission." And these advantages were very considerable: cheap raw materials, large earnings from invisibles, the transfer of export earnings, gold and diamonds, protected markets for her wines and cotton textiles.

The problem was that this limited the options of decolonization. Portugal faced real losses if control of her African territories was ended, and these would be difficult to sustain without major social and economic change at home—change which for political reasons the Salazar and Caetano dictatorships were not prepared to contemplate. The consequence of this situation, however, denied Lisbon the chance for a clean exit. There was precious little room, for example, to manufacture the sort of commonwealth-style departure which had

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enabled some other European powers to cushion the end of empire by leading their people to think that nothing was altered while at the same time beguiling the former colonies into believing that everything was new. Such a plan was actually laid out in General António de Spínola's *Portugal and the Future*. But this "Lusitanian Federation" was 20 years too late.

Intransigence in the defense of empire, even if it had a certain logic from the Portuguese point of view, was sustained only at very great cost. During the decade and a half that the world's attention was focused on Southeast Asia, a bitter struggle had been going on in Portuguese Africa. By 1974 a million and a half Portuguese had seen service overseas. One in every four adult males was in the armed forces. In Africa, a 200,000-strong Portuguese army facing defeat in Guinea-Bissau found itself severely pressed in Mozambique and stalemated in Angola. It was the junior officers of the bloated and demoralized military establishment that finally pushed the Caetano regime over. A coup d'état was the only way they could see to end the colonial wars they had spent most of their professional lives fighting. If they opened a Pandora's box in the process it was partly because with time the difficulties which would follow the collapse of Portuguese rule in Africa had accumulated.

The white settler population had grown rapidly in the 1960s, especially in Angola. By 1974 it numbered some 350,000, only 20 percent of whom had been born there. For the most part the new settlers were peasants with minimal education and few skills. Despite some expensive government attempts to establish white agricultural settlements, almost all the poor whites ended up in cities where they dominated commerce and semi-skilled jobs to the exclusion of Africans.

Elsewhere in the continent, the 1960s had produced much disillusionment with the venal regimes and military cliques that dominated many of the newly independent states. With time and experience, therefore, the ideological content of the anticolonial struggle was refined, and it moved beyond nationalism to a more explicit Marxian critique of dependency and its mechanisms. In the Portuguese colonies in particular these issues were paramount in the thinking of the liberation movements. In part this was because of the peculiarities of Portuguese colonialism, and in part because of the accelerating penetration of large-scale foreign capital into the region after 1965.

This intensification of ideological consciousness was perhaps inevitable. The issues in Portuguese Africa were after all real and not theoretical, fortified daily in an armed struggle which the rest of Africa with the exception of Algeria had not experienced. It was

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inevitable also that the liberation movements—PAIGC in Guinea-Bissau, FRELIMO in Mozambique, and the MPLA, FLNA and UNITA in Angola—developed their own heterogeneous international contacts, arms suppliers and diplomatic supporters: Algeria, Cuba, the Soviet Union and Eastern Europe, China and Scandinavia, Western church groups, even, during the early 1960s, the United States. Since those movements most strongly influenced by Marxian analysis—PAIGC, FRELIMO and MPLA—saw the struggle with Portugal as only part of their problem, and because they focused on what they believed to be the realities of economic power rather than its vectors, a latent hostility to the West, especially Western Europe, was built into their philosophy. It was a distrust only encouraged by the surreptitious aid the Western powers gave to Portugal in Africa, aid that increased as the end neared.

The process of decolonization—which was what the revolution in Lisbon was initially all about—was thus bound to be an extremely complex, dangerous affair, with racial, economic and ideological overtones that reached far beyond the boundaries of Portugal and her African territories. Very little that passed in Lisbon between April 1974 and November 1975 can be understood without considering its African dimension.

III

Portugal was nevertheless a West European nation. The appearance of isolation from the European mainstream was more a political than an economic or social phenomenon. In fact, the intensification of the wars in Africa had been paralleled by a growing integration of Portugal into Europe. The form which this integration took, however, had a very direct relationship to the problems that followed the April 1974 coup. Although Africa helped to politicize enough young officers to form the nucleus for a radical military movement, the fact that the Caetano regime fell so easily was the result of severe social and economic tensions within Portugal herself. Revolutions never occur in isolation. Several recent developments had linked Portugal's fortunes very closely to the industrialized core of Western Europe and in consequence had made Portugal peculiarly vulnerable to Europe's economic woes.

Portugal had always been a country of emigration, but beginning in the late 1950s and accelerating through the 1960s to a peak in 1970, there had been a dramatic shift away from traditional recipients like Brazil toward the European Common Market. Between 1960 and 1971, 900,000 Portuguese emigrated. By 1975 some million and a half

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Portuguese nationals were resident abroad, at least 700,000 in France, 115,000 in West Germany. These are staggering figures for a country like Portugal with a total population not much in excess of 8.2 million. Moreover, two out of every three people who left the countryside did so to go abroad. Their departure helped create something of a statistical illusion, often interpreted at the time as "development," since there was a dramatic decline in the proportion of the work force engaged in agriculture; it fell from nearly 50 percent to under 30 in the last decade.

Such figures did not so much reflect the growth of industrial and service sectors (though growth did take place) as the collapse of Portuguese agriculture. And the inadequacy of domestic agricultural production brought a steep rise in food imports. Furthermore, the hemorrhage of people perpetuated the archaic social and familial arrangements of the small peasant proprietors of the north, where otherwise intolerable population pressure and the multiple subdivision of property would have resulted. The remittances of the overseas Portuguese also had a very significant economic impact, and represented by the early 1970s a sum equal to 70 percent of the country's merchandise exports. Little of the money was used for productive investment. Rather it helped to bloat the money supply and fuel inflation, or was invested in property or land which also helped to raise prices.

More recently there was a marked growth in the number of skilled workers leaving. In 1973, for example, they made up as much as 34 percent of the 120,000 people who emigrated that year. Not surprisingly, alone among the 24 OECD countries, Portugal experienced a population decline over the past decade. With the demands of the colonial wars requiring the government to hold conscripts for longer and longer terms of military service, severe labor shortages resulted in the modern sectors of the economy. With some irony, Portugal was reduced to importing workers from the Cape Verde Islands, giving Lisbon a sizable black minority, something which, despite its grandiose claims to be the capital of a multicontinental and multiracial nation, it had singularly lacked since the sixteenth century.

Tourism expanded rapidly during the 1960s. In the year before the coup over four million foreigners entered Portugal, almost half as many people as Portugal's total population. Spaniards were most numerous (some two million) but Great Britain and the United States accounted for 45 percent of the tourist trade. Tourism had also set off a speculative boom in construction and real estate operations, but it had some dubious social consequences. In the Algarve (exceptional in

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the south for being a region of small peasant landowners) many Portuguese found themselves virtually expropriated in a very short period. Holiday villas, sometimes whole complexes, were built on public lands corruptly transferred to private ownership by venal municipal authorities. Resentment was no less because it was concealed for fear of the ever present secret police. To be sure the building boom provided many construction jobs: 244,000 workers in 1973, or 11.7 percent of the nonagricultural labor force. But tourists are fickle creatures not encouraged by militants marching through city streets. As the revolution was radicalized, the tourist boom deflated. And with it construction ended.

The other major source of construction finance had been the emigrants. Over the past decade neat little houses had sprouted throughout the country on the outskirts of villages and towns, where they stood empty for years on end, ready for the return of the prodigals. These comparatively luxurious and empty accommodations were tempting targets when the structures of authority collapsed, since there was almost no public housing and most Portuguese lived without the most basic facilities. A vicious circle resulted. The new Portugal needed the money of her overseas workers and their goodwill. But the occupation of "vacant" properties soon alienated them from the regime, since many emigrants lost both their savings and hopes for the future. Very soon they became a major source of financing for the clandestine right-wing opposition.

The 1960s had also seen substantial foreign investment in Portugal. The Export-Import Bank helped finance the new suspension bridge built by U.S. Steel over the Tagus River. The bridge opened up the possibility of industrial development in the sandy pine-forested peninsula between the Tagus and Setúbal, as well as easing access to the heavily industrialized working-class towns that sprawl along the south bank of the Tagus opposite Lisbon. Furthermore, the bridge provided a link to the site of the petrochemical port and refining complex planned for Sines, and to the tourist zones of the Algarve. Official West German investment went to a new airport at Faro and into a very expensive irrigation scheme in the Alentejo. The Faro airport, in turn, encouraged the growth of a very large expatriate community along Portugal's southern coastline. The World Bank invested in electrical power supply facilities. And private foreign investment, a mere two percent of total private sector investment in 1960, climbed to 20 percent five years later. On the eve of the April 1974 coup three quarters of private investment came from the United States, Great Britain, West Germany and Belgium.

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The industrial development of the 1960s was of a new type, however, not always looked upon with favor by the older Anglo-Portuguese interests which had long been the dominant foreign presence in Portugal. But even they were not immune to the change. Many of the most famous port wine companies found themselves subsidiaries of much less distinguished parents. The result was a small social revolution, for the multinationals exhibited little of the sense of social obligation that had been central to the ethos of locally established and paternalistic predecessors. The type of industrial expansion favored by foreign investment during the 1960s, moreover, was extremely vulnerable both to political change in Portugal and to changes in the world economic situation.

The growth and profitability of industries that had attracted the most foreign capital during the past ten years were closely tied to the character of the political system. This was because the absence of free trade unions and collective bargaining guaranteed exceptionally high profits by assuring exceptionally low wages. This was, of course, precisely why these industries were established in the first place, and the Caetano government made no bones about these "attractions" in its search for foreign businessmen. Wages in Portugal were seven times less than those in Sweden, five times less than those in Britain; even these figures are deceptive, for the majority of employees in the factories were women whose wages were often less than half those of men, and averaged about two dollars a day. The European Free Trade Association agreement to which Portugal was a founder signatory in 1959 made Portugal especially attractive to enterprises that imported most of their raw materials and reexported their product.

Two major types of enterprises were attracted by these conditions: electrical appliances, and components of one sort or another, assembled in Portugal by such companies as Timex, ITT, and Plessey. Or the garment industry, where 15 of the 25 major companies were under Swedish ownership. The electronic and component assembly plants employed about 16,000 at the time of the coup, the garment factories some 70,000—this in an industrial work force of about one million.

It was no accident that it was in these types of industries that the most bitter disputes erupted after the coup last year. Long and acrimonious strikes occurred in the Timex and ITT plants in particular. Nor was it very surprising, given the working conditions, that grass roots workers' movements first erupted in the garment industry, where the first workers' takeovers occurred in Swedish-owned plants late in 1974. This development had dangerous implications for the general employment situation, because once free collective bargaining became

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a possibility much of the attraction of Portugal vanished. Profit margins were bound to deteriorate under a more democratic system that allowed workers' organizations. Since most of the factories concerned were dependent on imported materials and were part of a chain of assembly plants spread throughout several different countries, the temptation to strip assets was very great. Those who moved quickly got out. In the garment industry, which was more often under individual ownership, many entrepreneurs simply packed their bags and went home. It was not very surprising that this happened. Entrepreneurs were in Portugal to make money, not to finance a social revolution. But what was left behind was a fledgling workers' movement, since those employed had nowhere else to go and sought as well as they could to carry on. And once problems of credit arose, this in turn led to pressure for the nationalization of the banks.

But as if these problems were not enough, the great show projects of the Caetano regime, which had seemed so logical when initiated during the euphoric 1960s, were singularly inappropriate for the 1970s. Portugal had based her most modern sector almost exclusively on oil. The great Lisnave dry dock facilities built by the Portuguese monopoly CUF in association with two Swedish and two Dutch shipyards were predicated on an expanding and prosperous tanker business. But since the 1973 Yom Kippur War and the world recession that came in its wake, the world's tanker capacity has increased by a quarter while world trade in oil has decreased by over ten percent. The complex at Sines was based on refining and petrochemicals and the expansion of motor vehicle assembly plants. The Western economic crisis made none of these projects particularly viable; nor could revolutionary Portugal well afford them. But the groundwork had been laid, and it was too late to turn back.

Thus, there was much serious maladjustment in the Portuguese economy, which the revolution could only exacerbate. And beneath it much social tinder to be ignited when Caetano fell and with him the whole apparatus of a highly repressive state. Individually the problems were serious enough, cumulatively they were disastrous. Uncertainty and violence led to the collapse of tourism, and with it construction and the real estate boom. Takeovers of empty houses alienated the emigrants, who withheld their remittances. The old textile industry, which employed some 120,000 people simultaneously, lost its source of raw materials and its markets. Growing unemployment first hit women, whose earnings, small as they were, had been a vital element in increasing the small internal market. The contraction of purchasing power helped in turn to create more unemploy-

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ment. Government measures that prohibited the dismissal of workers drove many firms into bankruptcy and escalating demands for credit from the nationalized banks. And with demobilization of the armed forces, more were added to the rolls of the jobless. Portugal entered the winter of 1975 with some 500,000 unemployed, only 17,000 of whom received any form of social security. And on top of these were some 300,000 Angolan refugees in the country, destitute for the most part, their money worthless. It was almost as if Portugal was doomed to face the worst of all possible worlds at the worst of all possible times. It was a sober background against which to implement a democratic revolution.

IV

Although it was not apparent at the time, the April 25th coup had not been made by the army as a whole, much less by General Spínola. It was organized and carried through by the Armed Forces Movement (MFA), which remained central to the political process during the first year of the revolution. Its development, radicalization and eventual fragmentation provided a motor for the revolution without which very little that has happened in Portugal can be explained. But from the beginning it was a shadowy organization and even after the abortive countercoup on March 11, 1975, when it was "institutionalized," i.e., given formal legal recognition with a revolutionary council and assembly composed of representatives of the three services, its deliberations remained secret.

As the intrusion of party and factional disputes into the MFA escalated after January 1975, the newspapers were full of self-interested leaks, yet much of its debate remained a mystery to the public at large, and since tapes of its proceedings were stolen in the course of intra-army maneuvering it may well be that no reliable record of its activities will ever exist. While the MFA held center stage, however, it was one of the unique elements in the Portuguese situation and one of the least understood.

It was also some considerable time after the April coup before the importance of the MFA was recognized at all, despite the fact that its program formed part of the constitutional arrangements as guidelines for the revolution, and its political committee moved en masse into the Council of State.

During the autumn and winter of 1973, the movement had been formed by junior officers, who in the beginning had been brought together by what they considered threats to their status from the Caetano regime's attempts to expand the officer corps by allowing con-

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script officers to take up regular commissions. Once it was organized, wider political questions intruded upon the purely military concerns; above all, there was the intolerable pressure of the wars in Africa where most of those involved had spent their entire professional lives. It was the MFA that somewhat reluctantly chose General Spínola to head the new regime. They would have preferred General Costa Gomes, whose political views were closer to their own, but Spínola's broader popular appeal and the international attention which followed the publication of his book in February 1974 gave him the edge. The problem was that as soon as Spínola was established in office it became evident that he was far from being a puppet. He possessed his own ideas about the direction Portugal should take, and diverged from the coordinating committee of the MFA on the two dominant concerns that faced the country: decolonization and the economy.

Spínola wanted Portugal to move rapidly toward a social democracy on a West European model, with rapid economic development, improved living standards, rationalized and modernized financial and business structures, and an opening toward and eventual participation in the European Community. These were the objectives laid out in the economic plan he commissioned from Erik Lundberg of the World Bank. It was a view close to those of the more advanced sectors of the Portuguese business community, especially Miguel Quiná and António Champalimaud, who had become increasingly irritated with the Caetano regime and welcomed the change. It was an ambitious program, but as with so much in the Portuguese situation, it was at least a decade too late. In an expanding world economy, with abundant investment, rising tourism, emigrant remittances and the ability to impose labor discipline, Spínola's program might just have worked. But when the favorable circumstances had existed, Portugal was bogged down in an unwinnable war and the opportunity was squandered. By the mid-1970s the world economic recession, the collapse of the state's repressive apparatus, and the generalized hostility to radical change in Lisbon from those whose aid would be most needed—all these made it a pipedream. And the problem was only compounded by the hostility in Washington to the new regime as a consequence of the emergence of an aggressive and well-organized Communist Party.

Above all, Spínola's program was predicated on the achievement of a slow and orderly disengagement from Africa. For while Portugal was herself in chronic deficit in her foreign transactions, the balance of the escudo area as a whole showed a healthy surplus. This surplus was based preeminently on Angola's earnings: for the process of ex-

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pansion and development in Portugal to succeed, Angola's retention for a number of years seemed essential.

But the MFA had made the coup to end the war not perpetuate it, and the manner of decolonization brought the fundamental conflicts between Spínola and the MFA into the open. The African liberation movements were acutely aware of the splits under the surface in Lisbon. They were aware, too, of the strong resentment and antagonism within the Portuguese armed forces to any continuance of the wars. They also knew the men involved, unlike Portugal's Western allies to whom almost all the members of the MFA, including most of its leaders, were totally unknown quantities. FRELIMO in Mozambique and PAIGC in Guinea-Bissau in particular, by a combination of stepped-up military pressure and local ad hoc arrangements with the MFA security network, known as COPCON, organized under the command of General Otelo Saraiva de Carvalho, the man who had coordinated the April coup for the MFA against Caetano.

The struggle in Portugal, however, was by no means one-sided, and through the first five months each side sought to strengthen its power base, the MFA expanding from a little under 200 members in March to some 2,000 by September. Spínola tried to build a base among the emerging political parties and the elite units of the army but it was for him a path of continuous retreat. In the showdown over the independence of Guinea-Bissau, he was forced to accept Colonel Vasco Gonçalves, one of the few more senior officers of the MFA's coordinating committee, as prime minister. And when he tried to rally popular support in September 1974, he was blocked by COPCON.

The September showdown forced Spínola from the presidency and opened the way for the transfer of power to FRELIMO in Mozambique; but it also brought a new element into the political equation. When the crisis had broken on September 28, 1974, the Communist Party and its allies had moved efficiently and rapidly to organize a blockade of Lisbon, thus preventing the thousands expected for the demonstration in support of Spínola to assemble. It was clear, then, that whatever the army might wish or the leaders of the MFA have intended, the intrusion of political and party divisions was unavoidable. And once the Right and Center were effectively neutralized after the failure of another murky attempt by Spínola to regain power in March of 1975, the struggle for power began in earnest within the Left and inside the MFA itself. It was almost inevitable that this should happen since the MFA, by "institutionalizing" itself, had made its revolutionary council and assembly in effect a parallel executive and legislature. Then, on April 25, 1975, one year after the coup,

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the constituent assembly elections provided for the first time another source of legitimacy, incarnated by the Socialist Party led by Mário Soares, followed closely by the Popular Democrats, the party Spínola had seen as his political base and led by one of his closest political associates, Francisco Sá Carneiro.

But the atmosphere at the time was permeated with a dangerous sense of unreality: there was a widening divorce between the highly theoretical and ideological quality of debate at the center and the heightened tensions in society at large. The linkages among the central authorities were undermined and a type of "popular power" emerged at a local level to replace them. This in turn overly accentuated regional polarization and hardened political positions. Since popular power and the rule of local vigilantes could just as easily be of the Right as of the Left, the resulting volatile situation had a much more immediate impact on the development of Portugal than the protracted and endless debates in the assembly on the new constitution or within the armed forces on which of the many roads to socialism they wished to follow. The far Left and the far Right were the first to realize this. Both the political parties and the more traditional military officers sensed the threat in these developments—especially the Communist Party and its military allies which had based their strategy on the seizure or subversion of the existing institutional structures.

The failure to perceive the split that was occurring between the attitudes of the political and military leaders and the mood of the country outside Lisbon was aggravated by the peculiar way in which the African situation and the collapse of the economy affected the chronology of the revolution. The pressures emanating from Africa were undoubtedly the most important in the short run, but economic issues are likely to dominate the second stage of the revolution that is beginning as disengagement from Africa is completed. The fact that the economic crisis could be postponed so long was due to Salazar's last gift to Portugal, the large gold and foreign currency reserves he had so avidly accumulated. These reserves, which stood at $2.8 billion at the end of 1973 ($1.2 billion in gold), provided a cushion that helped the revolution postpone the consequences of its actions. Or at least they allowed a series of far-reaching and radical transformations to be promulgated without much apparent pain to the population at large.

This contributed to the sense of unreality which lasted well through the late summer of 1975. The reserves helped to obscure the fact that real change was occurring that would in time have to be paid for, and not merely by its immediate victims—conservative military officers,

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expropriated landowners, great industrialists and banking magnates. A very high degree of sacrifice, austerity and disciplined collective action were unavoidable if a socialist revolution was to be made to work. Whether or not the Portuguese people, or a sufficiently large number of them, would be prepared for that route was a question that had been largely avoided.

Thus, the fact that the struggle often appeared to be largely verbal posturing was, of course, quite false. A real conflict over the nature of the economy and the process of decolonization lay at the base of the series of severe and protracted military and political crises that have rendered successive provisional governments virtually impotent. But the projection of the struggle into a major concern for both the Right and the Left throughout Europe was not diminished by its highly ideological nature. It was no accident that the issues that most caught foreign attention were concerned with freedom of the press in the case of the newspaper *República,* and freedom of religion expression in the case of the episcopacy's radio station in Lisbon, *Rádio Renascença.* Each served to point up sensitive concerns, especially in France and Italy, that lay very close to the surface of uneasy alliances of the Left between Social Democrats and Communists. The Portuguese Socialists of all Portuguese political groups were the most keenly attuned to Western politics and knew how to exploit these concerns in their own interest.

But the comparisons were decidedly forced. In France and Italy, the Communists and Socialists were in opposition and functioning within long-established parliamentary regimes. In Portugal, at the time that the disputes erupted, both the Communists and Socialists were members of a coalition government during a transitional period each described as "para-democratic." And a bitter power struggle was in progress at local and national levels between them for the control of unions, municipalities, the communications media, and within the military itself.

Perceptions were nevertheless important—as important at times as what happened. Outside help and money were welcomed by all Portuguese groups. After half a century during which Portugal seemed totally irrelevant to the outside world, suddenly the most convoluted dispute of her smallest political faction became a weighty matter of absorbing interest. It did not matter that this had as much to do with the political and economic situation elsewhere in Europe as with the developments in Portugal. The preeminence rested in the belief that Portugal had become a mirror suddenly held up at a most embarrassing moment wherein Europe could see herself. Ideologists of both the

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Left and the Right saw what they wanted to see, whereas reality most of the time was very obscure, not least to the political and military leaders in Lisbon suddenly thrust into the international limelight. In any case, Portugal, unlike Cuba and Chile, was close by and relatively cheap to get to. Few luminaries could resist the chance to go see for themselves—from Jean-Paul Sartre to General Vernon Walters.

Both the Left and the Right initially underestimated the radicalism of the Armed Forces Movement and then paradoxically placed too much hope on its staying power once the revolution had moved from euphoric celebration to acrimony and factionalism. It would have been particularly surprising, however, if Alvaro Cunhal, Secretary General of the Portuguese Communist Party, whose major theoretical contribution is a lengthy polemic on petit-bourgeois radicalism, had ignored the possibility of the MFA's renewed concern for hierarchy and discipline once its own position was threatened by incipient rebellion in the ranks. The Communists, therefore, despite temporary tactical alliances, first with General Spínola, and then with the MFA, also made sure that their militants or sympathizers were placed in key roles within the military and made special efforts to control the two most sensitive organs: the Fifth Division, responsible for propaganda and the indoctrination of "cultural dynamization," and the Commission that had been established after the coup to dismantle the secret police.

The mistake Cunhal made was in thinking that power could be achieved by the seizure of institutional structures, and that such structures, inherited from the corporate quasi-fascist dictatorship, were transferable in the fluid situation that followed the April coup. He, along with many of the political leaders returning from exile, seriously underestimated the real revolutionary potential in the situation—which was not entirely surprising for nothing like it had been seen in Europe since the turn of the century. In fact, it was the institutional elements that disintegrated most rapidly. And the Communists, by being associated with them and by attempting in many cases to prop them up, were badly mauled in the process.

What this meant was that the initiative in political terms was often taken by the radical Left—a complex and often bitterly divided collection of small groups that included several Marxist-Leninist parties, Maoists, revolutionary leftists and anarchists in all but name, as well as advocates of popular power. These groups, marginal to the political process in most European situations, became very significant in Portugal, often because they tended to reflect what was happening at local or neighborhood levels better than the more formal and tradi-

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tional political parties. Moreover, as the spring and summer of 1975 wore on and the struggle between the Socialists and the Communists intensified, they began to gain adherence among the military, and most notably the commander of the MFA's main security force, General Saraiva de Carvalho.

These groups were, of course, as opposed to the Communists as to anyone else. For the radical Left saw the Portuguese Communist Party as a group of "social fascists," by which they meant reformists in their policies and authoritarians in their behavior. When the long struggle between Socialists and Communists for which the *República* case had provided a symbolic issue was ended and the Communist ally, Vasco Goncalves, had been forced out of office, the major incentive for the unholy alliance between the Socialists and the radical Left ended as well. For if the radicals saw the Communist Party as misguided comrades that might find redemption, they saw the Socialists as thinly disguised fascists and class enemies.

The establishment of the Sixth Government—leftist but anti-Communist—brought back the Socialists and the Popular Democrats and many of the original members of the Armed Forces Movement who, led by Major Melo Antunes, had conducted the struggle with Gonçalves over the summer. But the new situation was a very critical one. The crisis had split the MFA wide open. The army had withdrawn its delegates from the armed forces assembly since they believed the assembly to be too heavily influenced by the Communists, and throughout the country the armed forces themselves had fragmented to such an extent that almost every unit found it necessary to define itself politically.

The specter of civil strife became very real for the first time. The removal of the Communist Party effectively from government power and the gradual purge of its militants and sympathizers, which began throughout the armed forces, placed it squarely in the opposition for the first time since the April 1974 coup. Faced with this situation, the Communists chose to take a revolutionary route that they had so far avoided. The alliance between the Communist Party and the radical Left brought with it the Communist Party's formidable organizational capacity, and this, added to the high degree of armed capability already apparent among radical leftist groups, posed an immediate and serious threat to the new government. The moderate Left within the government has thus been faced with the problem of moving against the radical Left or seeking to disarm it or running the risk of being overthrown by it. The radical Left, of course, sees the moderate Left's reaction as an immediate threat to its own position and

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also foresees that the longer it waits the more vulnerable it will become. Hence, it has every incentive to act sooner than later, especially as the government is establishing an elite military intervention force loyal to it. This threatens to circumvent the remnants of the COPCON security force under Carvalho.

Outside the present political spectrum, the far Right, taking advantage of these splits and hoping that one or another of the leftist factions will do its work for it, awaits the chance to return. Highly organized both outside and inside Portugal, the Right has been strengthened during the summer by the adherence of General Spínola, now titular head of the "movement for the liberation of Portugal." But if either the radical Left or the far Right were to attempt to overthrow this government, or if the government itself moved against the strongholds of the Communists and their radical Leftist military allies in Lisbon and the South, a civil war would be almost impossible to avoid. No group has the capability of easily or quickly destroying the other, but each has an incentive to seek to do so. As the groups in conflict have clearly defined popular and regionally concentrated power bases, control heavily armed paramilitary groups and command the loyalty of regular military units, the result could only be a protracted and bloody struggle.

V

It remains to consider the policies and impact of external powers—West European countries, the United States, and the U.S.S.R. How have they approached the situation? What might the Western countries have done differently, both in respect to Portugal herself and in respect to the former Portuguese territories in Africa? What has been the Soviet role? And what are the remaining options for the West in the situations that have now emerged, or appear imminent?

Portugal faces the Atlantic at the far western tip of Europe; her Atlantic islands are strategically placed astride the shipping lanes between Europe, the Mediterranean and the Americas; her African colonies had port and bunkering facilities that potentially were among the best on the Indian and South Atlantic Oceans. Together these comprised vital geostrategic assets, the possession of which had been critical to European expansion overseas from the beginning and were among the elements that accounted for Portugal's head start. Ironically, with Europe's retraction the value of these positions had increased. They were vital counters on the board, more appreciated when threatened than when securely held.

Thus, the geostrategic position of Portugal and her possessions

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made certain that the Portuguese revolution and the emergence of a strong Communist Party which participated in government were bound to raise questions that would involve the superpowers. The balance of power was threatened where least expected, where the forces at play were least susceptible to manipulation, or where involvement once it occurred was likely to escalate far beyond the initial commitment. This was not the result of any unwillingness to manipulate, but of a failure to identify the actors involved. Some time ago Henry Kissinger is supposed to have said: "I am not much interested in, nor do I know anything about, the Southern portion of the world from the Pyrenees on down"[1] From the U.S. point of view this was a pity. It was dangerous too, because it made U.S. policy especially vulnerable to the pressures of special interests, private advice and traditional prejudices that might lead in directions that were not in the long run in the best interests of the United States.

The fundamental problem was that the Portuguese democratic revolution and the impact it had in southern Africa struck U.S. diplomacy of the Nixon-Kissinger era at its most vulnerable point. Apparently peripheral to Washington's immediate concerns, such as détente and the Middle East, the Portuguese situation involved no less important issues—the whole posture of the United States toward social change in the world and toward the coming conflict in southern Africa. Neither of these basic problems was susceptible to management by deals among governments in the Northern Hemisphere, and the intrusion of such great-power concerns could only place the United States on the side of reaction in each area. Nonetheless, Portugal tended to be seen by Washington through the perspectives of the Middle East and of détente and to become entangled in each. The Azores with its U.S. base at Lajes had taken on a new lease on life when all of the other NATO allies and Spain refused refueling facilities to U.S. aircraft airlifting supplies to Israel during the Yom Kippur War. Détente became involved because Kissinger thought it easier to deal with the Portuguese Communist Party through Moscow and because he needed to demonstrate, especially at the time of the Helsinki accords, that détente worked.

The belief that Moscow could control the leftward movement of the revolution was based on a misreading of the course of events in Portugal. In any case the Portuguese themselves, as a result of the reactions to the Communists' own authoritarian behavior and tactics, were about to oust them from many of the power positions they

[1] Cited by Richard A. Falk, "What's Wrong with Henry Kissinger?" *Princeton Alumni Weekly*, October 1, 1974, p. 18.

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had seized in the immediate aftermath of the coup. Moreover, the viability of détente had been evoked in a situation where it was unnecessary to do so. The Communists were in trouble for quite other reasons, and the Western allies' belligerent statements produced for domestic consumption served for no more than that. The Russians had nothing to give, although they reaped certain advantages by appearing to do so.

The problems caused by Communist participation in the Lisbon government were particularly acute for the Western powers since Portugal had been a NATO member since 1949 (though Salazar at the time had been careful to state that Portugal's participation did not signify acceptance of what he regarded as the vague and wordy evocation of liberal and democratic principles in its charter). The timing of the fall of the Caetano regime, however, was particularly embarrassing. The rapid buildup of Soviet naval power in recent years and the threat that this posed in the South Atlantic and Indian Oceans had led to growing concern for the security of the sea lanes around South Africa. NATO, in particular, originally mainly under pressure from British conservatives and its own naval circles, had hoped that its southern flank might be extended into the southern Atlantic. Because Portugal was also a NATO member, the fiction, therefore, that her colonies were an integral part of the metropole also became a convenient fiction for naval strategists. As a senior State Department official testified in December 1974, there was contingency planning directed to the "sea routes for strategic commodities including oil which are being shipped through the Indian Ocean, around the Cape and through the South Atlantic."[2] These plans involved the strategic port and airport facilities of Portugal's African territories.

The sudden emergence after the coup, therefore, of a regime in Portugal that welcomed Communist participation in government was seen as a major threat to the Western allies' strategic position in the Atlantic. And the reaction in NATO circles was immediate. Portugal was no longer made privy to certain classified information and, at the time of the meeting of the nuclear planning group, strenuous efforts were made to discourage Portuguese participation. Portugal did not push the point, which temporarily resolved the crisis.

A second problem that the Communists posed was similar to that which had been perceived by many Westerners in the government of

[2] Letter from Linwood Holton, Assistant Secretary of State for Congressional Relations, to Hon. Charles Diggs, Chairman, Subcommittee on Africa, Foreign Affairs Committee, published in "Review of State Department Trip through Southern and Central Africa." Hearings before the Subcommittee on Africa, Foreign Affairs Committee, U.S. House of Representatives, 93rd Congress, Dec. 12, 1974, Washington: GPO, 1974, pp. 153–54.

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Salvador Allende in Chile—that is, again, the precedent involved. The fear was that if Communist participation in a government worked, then the barriers that might prevent similar participation in Italy and France would be removed.

This concentration on strategic considerations and on the Communist aspect—most pronounced in Washington, but present to some degree in all the Western capitals—led the West to equivocate about wholeheartedly supporting the first government of General Spínola, the one government since the coup which offered a chance, however slight, of gradualist change in Europe and Africa. In effect, through ignorance of the deeper revolutionary forces at work—and above all of the depth of the economic problems—the West lost the chance to come forward at once with a program of practical assistance that might have helped stabilize the situation.

When eventually the European Community began seriously discussing economic assistance, Spínola had long since been forced from the Presidency. The aid was intended not in order to stabilize the pro-Communist Vasco Gonçalves government but to encourage the formation of a new one that would respect democratic liberties. It was too little, too late—it helped to bring Gonçalves down but did little to prop up the Sixth Government, since the aid remained a promise not a reality. The accompanying American threat that a Communist-dominated Portugal might be no longer welcome as a NATO member likewise had little effect. By the summer of 1975 the West was reduced to fragmentary efforts, through Socialist parties, to shore up the position of Soares. While such interference in Portugal's domestic affairs was understandable as a response to Soviet assistance to Cunhal, and as an action directed against an unpopular minority bent on the seizure of power in the face of a clear rejection by the majority of the electorate, its usefulness was negated by the inability of the West, at this late date, to do anything constructive about the social and economic forces that were swinging the pendulum back and forth ever more sharply.

Perhaps one should not place too much weight on the impact of Western policies since April 1974. It is the failure over decades to deal with Portugal effectively that lies at the root of the present parlous situation. But it was the legacy of those past policies that carried over to prevent the West, especially the United States, from reacting sooner in ways that might have helped steady the course of what would in any event have been a far-reaching revolution.

Now, with civil war apparently impending, the dilemmas of Western policy are even more acute. What not to do seems clearer than

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what ought to be done. Certainly it would only compound the tragedy if any Western country, above all the United States, were now to support, or appear to support, a far Right action under Spínola—a desire already imputed to Washington by many liberals in Europe. The specter of the Spanish Civil War looms large, and it would be the strongest test yet of détente to persuade the Soviet Union to join in a common policy of noninterference by external powers. On the other hand, if by some miracle civil war is avoided, it should be the West's policy to go forward with massive economic aid without being too choosy about the exact role that individuals associated with the Communists may be playing in a government that somehow manages to govern.

The implications of Western reactions to events in southern Africa are no less dangerous. The hostility to the MPLA clearly involves more than the objection to its ideology and the fact that it is supported by the Soviets. Its politics are in the same tradition and grow from the same background as those of FRELIMO in Mozambique and PAIGC in Guinea-Bissau (which have also been supported by the Russians). In neither of these latter cases was independence under the leadership greeted as a threat to the West, or as unsettling to détente, or worthy of solemn warnings to "extraterritorial powers" to keep their hands off.

Angola, moreover, is directly involved in most sensitive issues in southern Africa; the Benguela railway is the main outlet for the copper belt on which the prosperity of both Zaïre and Zambia depends. Already both countries are in serious trouble as a result of the decline in world copper prices, and the impact of the closure of the Benguela railway as a result of hostilities in Angola gives both a major stake in the outcome of the fighting. President Kenneth Kaunda of Zambia is the main hope of South Africa in its policy of "détente" with Black Africa. And the serious economic threat to Kaunda's regime that results from war in Angola is of serious concern both in Pretoria and Washington.

General Mobutu Sese Seko of Zaïre, who is America's main "ally" in Africa, has since the deterioration of the situation in Angola become the object of a major economic rescue operation. The proposed massive increases in U.S. aid are also of some interest to Mobutu's brother-in-law, Holden Roberto, leader of the FNLA, the "pro-Western" group in the Angolan struggle. But while all the Angolan liberation movements have regional and tribal characteristics, the FNLA is by far the most openly tribally based, and Zaïre and Roberto are seen throughout much of Africa to greatly resemble the nationalists who failed so dismally to fulfill the promise of African emancipation after the

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end of colonial rule in the 1960s. There is therefore no way that the struggle in Angola can be isolated from its broader ideological implications, and a struggle that pits the FNLA against the MPLA is bound to polarize Africa ideologically, and place the Western opponents of MPLA, and the United States particularly, in opposition to the most dynamic and progressive forces in the continent.

Because the southern African business and financial interests also see their positions threatened in Angola, U.S. policy has already been placed in parallel with that of South Africa. And for the first time this raises the specter of open U.S. involvement in the confrontation that the United States itself sees as inevitable in the region, though the United States itself recognizes no "vital security interests in the region."[3] As Admiral Bierman, the South African Chief of the General Staff, wrote in 1972: "It is imperative that a superpower should be involved in the strategy of the southern hemisphere . . . we must persuade the West that communist penetration into the Southern hemisphere is a direct threat to Western Europe and the rest of the free world."[4] Angola has achieved that "persuasion," and the consequences are staggering.

The irony is that the end of Europe's oldest territorial empire in Africa has recreated the type of situation that dragged Europe unwillingly for the most part into a partition of Africa in the nineteenth century. As Ronald Robinson and John Gallagher wrote of the first scramble: "Strategy is not merely a reflection of the interest which it purports to defend; it is even more the register of the hopes, the memories and neuroses which inform the strategist's picture of the world."[5] It also makes policy vulnerable to the forces in place locally, drags it after interests contradictory to its own best interests, and creates entanglements that are very difficult to escape from.

In both cases, southern Africa and Portugal, the belief apparently persists that ideology is somehow separate from the forces at play in the social and economic situation; and that these in turn can be manipulated from outside. More often the opposite is true, and outsiders unless very careful become prisoners of an uncontrollable course of events. And when this occurs, as it now seems to be doing, the threats to the international system are most dangerous.

[3] National Security Council Interdepartmental Group for Africa: a study in response to National Security Study Memorandum 39, Southern Africa AF/NSC-I G 69—Aug. 15, 1969, p. iii.
[4] Cited by Colin Legum, *The Observer*, London, December 17, 1972.
[5] Ronald Robinson and John Gallagher, *Africa and the Victorians: The Official Mind of Imperialism*, London: Macmillan, 1966, p. 470.

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GOALS, IDEOLOGY AND FOREIGN POLICY

By Bayless Manning

A COMMONLY heard comment about American foreign policy these days is that the nation has lost its earlier sense of national goals and ideological objectives and that we should, as a nation, settle upon a new consensus as to our global moral objectives. This is a difficult subject, and, in my view, much of the discussion of it is made up of half-perceptions and half-truths.

In the first place, it is clearly true that there is less consensus today among Americans on foreign policy issues than was the case from about 1940 until about 1965. This is in no way surprising. The goals of World War II were simple and clear: the utter extermination of Hitlerian nazism and its Japanese counterpart. At the end of World War II, the United States developed a grand global vision grounded in traditional American liberal economics, free trade, anticolonialism and parliamentarianism. That vision inspired American leadership in the construction of the major world institutions that came into being at the end of World War II—the International Monetary Fund, the World Bank, the General Agreement on Tariffs and Trade, and the United Nations.

Very shortly, however, as the outlines of the cold war crystallized, the dominant drive of U.S. foreign policy increasingly became anticommunism and global Soviet containment; a secondary theme was the desire to help develop a united, democratic Europe that would forever preclude another European-centered world war; and a third motif was decolonization and, somewhat less wholeheartedly, assistance in the untried experiment of bringing modern economic development to the unindustrialized world.

The Nazis are now gone. The restoration of Europe and Japan has long since been completed. The colonial empires have been wholly dismantled. The global institutions built at the end of World War II are now demonstrably inadequate to the problems of today. The cold war (at least in its original form) is now history. The comparative moral, political and economic power of the United States has been measurably reduced. The trauma of Vietnam has intervened, bringing with it for a time a major schism in U.S. public opinion. Basic changes have also taken place in domestic social

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attitudes. Politically and psychologically, we are in a time of regeneration, in part stunned by the Vietnam debacle and in part fumbling in a dim recognition that world conditions have changed and that old problems have given way to new ones.

On the other hand, despite these developments, the decline of consensus should not be overstated. Public consensus continues to support a number of elements of U.S. foreign policy—and they are the central ones on the basis of which most of our foreign policy rests.

The nation's resolution to defend itself against attack remains unimpaired. Similarly, a direct Soviet military assault on Western Europe, Japan or Canada would be met with American military retaliation. No conceivable U.S. foreign policy program would contain as a component the territorial expansion of the United States. The United States will, like all other countries, devote a substantial portion of its international energies to enhance the economic interests of the American people, but the nation will at the same time continue to respond sympathetically to the humanitarian needs of others. The nation's ideological preference remains in favor of parliamentarianism and free market economics. European unity still enlists U.S. support.

Other such continuing components of our international position could be cited. In fact, with the Vietnam issue behind us, the major changes that distinguish U.S. policy today from the continuity of yesterday are seen on reflection to be essentially two: a lowering of the intensity of our cold-war fears and our communist containment policy, and a heightening of our recognition that it will not be feasible to remake the world in our own image.

Indeed, on further reflection, it becomes apparent that our main problem in shaping our foreign policy in the last decade was not that we lost our consensus, but that we too long retained a consensus as to our perception of reality into a new era in which the reality itself had radically changed.

II

It is easy to make up a roster of things it would be nice to have—like peace and health and open opportunity and an end to poverty—and to describe these as the nation's "goals." But they do not provide much headway toward developing public policy or public support for them. In real-life situations, the problem of the policy-maker is usually how to choose between two or more results that are all desirable but conflict with one another; or how to choose between two or more results, all of which are undesirable; or how to move

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toward the desired result where one has little or no leverage on the situation; or, if something must be traded off, how to see to it that that which is sacrificed is the least valued—that the most favorable mix of costs and benefits is achieved.

A real-world issue of U.S. foreign policy does not give rise to a single question of "policy" but rather provokes a whole series of sub-debates, of which the following are only the most obvious:

Facts: What are the facts? What will they be tomorrow?

Stakes: Who has what kind of stake in the outcome, and how much? The United States, generally conceived? Various domestic interest groups in the United States? Who cares about the outcome, why, and with what intensity? What outcome is more compatible with general ideological preferences of the United States? Economic? Strategic? What is the balance between the short-run and the long-run interests of the nation? What are the risks of action? Of inaction?

Management and tactics: To what extent can the United States affect the situation? Assuming some leverage, what is the most effective tactic for using it? Should the United States act in the matter unilaterally, or multilaterally? Who will be in charge of implementing the steps decided upon?

Costs, priorities and trade-offs: What will it cost to achieve the desired results? As compared with other desired objectives, how important is it that the desired outcome be achieved at this time? Pursuit of any policy line inevitably means that other desired policy lines will have to be given up or postponed: what trade-offs and other costs will be entailed in pursuing the particular objective? And what are the priorities?

Resources to be committed: How much of the nation's limited economic, military and political capital should be committed to the particular objective? With what intensity should the desired outcome be sought?

A list of generalized national foreign policy objectives proves to be of little or no assistance in working through such a typical matrix of questions, disputes and considerations.

Under our form of government, policy decisions on particular matters are hammered out through a pluralistic process that combines elements of official leadership, interest groups, public debate and various forms of power leverage. Every contesting participant in that process is able to invoke in support of his own position—and

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he invariably does invoke—one or more of the national "goals" that would appear on anybody's abstract list of objectives of the United States. Such "goals" often provide the vocabulary of public policy debate; they usually do little to resolve real problems of policy choice.

III

Despite the example of the Holy Alliance, in the nineteenth century it had not yet become fashionable to consider that every nation's foreign policy should have an ideological component. Although the United States stood far in the vanguard of representative democracy and individual liberty, the nation did not feel obliged to seek to export its governmental forms or ideals. The primary objectives of U.S. policy were to stay out of European politics, to extend U.S. trade, and to keep the seas open for American ships; we carried out those policies very well.

The twentieth century, however, has seen the emergence of titanic international struggles among a variety of competing secular ideologies. "Isms," great and small, fight for control of men's minds and institutions of power. Future historians of foreign affairs will see our era as made up of a mix of two classical elements (balance-of-power struggles and competition for national economic return) and one new element that is remarkably akin to older wars of religion —an ideological struggle over the "right" principles that "ought" to govern patterns of economic distribution among men in society and define the proper relationship between the individual and the collectivity, the state.

The ideological stance of the United States is clear enough. Indeed it is remarkably so, and it has been extraordinarily stable. The nation has a preference for a relatively free-market economy where feasible, and a preference for the individualistic libertarian tenets set out in the Constitution in 1789, as expanded in the years since to bring more domestic groups into full political participation. A major question for debate today is whether and to what extent these ideological preferences should be given weight in determining the nation's posture on foreign policy issues.[1]

Critics who contend for a "higher ideological content" in our

[1] Whether these traditional national ideological preferences themselves should be abandoned in favor of others is an entirely separate issue—the issue that is pressed by political elements that are for that reason properly denominated "radical," whether of the unreconstructed right or of the unconstructed left. Sometimes persons who argue that our foreign policy has "insufficient ideological content" will be found in reality to be arguing that their own idiosyncratic brand of ideology should be adopted by the nation—quite a different point.

For a recent contribution to aspects of the debate, see William P. Bundy, "Dictatorships and American Foreign Policy," *Foreign Affairs,* October 1975.

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foreign policy usually point out, quite correctly, that the nation performs at its best when welded together in a common ideological endeavor. They recall the enthusiasm in World War I for making the world safe for democracy, they point to the public ideological commitment of World War II and the generation following, and they detect a messianic streak in the American people—a latent propensity to go forth to save the world. When that psychological resource is tapped there is almost nothing the United States cannot accomplish; when that resource is not invoked, goes the argument, the American public loses interest in international affairs, tends to withdraw, and U.S. foreign policy wilts. As these analysts see it, therefore, for the United States to have a strong and effective foreign policy over a period of time, our leaders must serve up, and the public must, after debate, accept some large-scale targeted goal, something which the United States is setting out to do. In this view of the matter, the American public should settle upon some long-term ideological objectives: to achieve political or religious liberty for all; or to put a floor under global poverty and redistribute wealth among all nations and peoples; or to stamp out totalitarianism; or to commit its armed forces to enforce world peace; or to assure free speech and free movement of persons around the world; or to establish a free market economy everywhere; or to eliminate racial prejudice; or something of the sort. Then the U.S. government, supported by such a consensus, should press steadily toward that ultimate goal.

There is something to be said for this perspective. If the American people could be unified by some broad humanitarian theme it would doubtless make the conduct of American foreign policy easier. Depending on the theme chosen, such a course would also have the power to attract some admiration and support in other countries around the world. And there is no doubt that the American people are capable of a kind of exaltation when the right leader sets the right moral target at the right time. But, granting these general points, the argument for a high-intensity ideological foreign policy suffers from a number of defects.

No person can make any decision without some reference to his underlying philosophic preferences and value system. Equally inevitably, foreign policy outcomes perceived by the United States as preferred will in some degree reflect ideological preferences of the public and of government officials. For example, our military alliance commitments to Western Europe, Canada and Japan are in large part based upon a recognition that our own national security and defense posture are inextricably commingled with theirs, but the alliance also

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obviously expresses our ideological preference for liberal democracy and a free-market economy.

Further, it is evident that tomorrow's international agenda will repeatedly put to us in one form or another at least four basic questions that contain an unavoidable ethical or ideological component. What will be the American attitude regarding the poor two-thirds of the world? What will be the American attitude regarding persons in other countries whose individual political rights are being suppressed? What will be the American attitude toward such global problems as environmental protection and the use of the world's air space and seabeds? And what will be the American attitude toward the development of new multilateral international institutions that will entail some sacrifice of national freedom of unilateral action? It will require political leadership of the highest order to explain these broad issues to the American public and to work out responsive U.S. foreign policy positions that are compatible with the ethical and ideological predispositions of a majority of the American people.

The question is thus not whether there should be *some* ideological component in foreign policy, but whether that ideological component should be greatly enlarged or made predominant.

IV

In assessing that question, it must first be recognized that even a high degree of ideological content in our foreign policy will not produce consensus, eliminate debate, or provide answers to foreign policy problems. If Nation X decides on ideological grounds to impose economic sanctions against Country Y, that step does not predetermine whether the government of Nation X would also be willing to go to war with Country Y on the same ideological grounds. Regardless of the ideological target, the costs and benefits of each new policy decision must be weighed anew, and the issue decided pragmatically on its own footing as it arises.

The answer arrived at will, of course, vary in accordance as the ideological factor (or any other factor) is differently weighted, but the *process* of decision-making is not altered by changes in the weighting of the factors. Thus, while one may argue that this or that ideological consideration should be given more weight in foreign policy decision-making, one cannot eliminate the necessity for the weighing process itself.

A high ideological content has not historically been an indispensable element in the successful conduct of U.S. foreign policy, as the experience of the nineteenth century showed. Some of the nation's

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less appealing chapters of history coincided with a high fervor of self-righteousness, notably the Mexican War, the Spanish-American War, and our adventure with old-time imperialism at the turn of the century. Then too, there appear to be hangover costs; when the nation has experienced an ideological "high" in foreign policy, it has tended to be followed by a later "low" and a propensity to withdraw from the world, as the United States did in rejecting the League of Nations, and as many fear the American public may be doing today.

In present-day circumstances it is far from apparent *what* ideological bugle call would arouse a consensus among the U.S. public and spark a moral crusade. The point is not merely that no such consensus of enthusiasm exists at present; it is, rather, that the domestic atmosphere at this time of post-Vietnam and post-U.S. *imperium* is not propitious for a remobilization of the moral energies of the nation for a major overseas initiative. Any effort to embark upon a new ideological push at this time would sharply divide, rather than unify, the American people.

Then there are the special dangers that crusades always bring. Once launched, the *jihad,* the holy war, is the least manageable of all forms of human dispute. For man's greatest suffering at the hands of man we can thank the ideologues and the religious zealots of history—those arrested personalities who cannot live with uncertainty, cannot tolerate difference, are divinely (or atheistically) certain of their own rightness and are ready—eager—to impose their views on others.

The foreign policy history of the twentieth century has been heavily freighted with that sort of thinking, some of it (though by comparison only a small part of it) contributed by the United States. The costs to mankind of this attitude have been unimaginably great. Western Europe, Japan, the Soviet Union, China and the United States all seem to have concluded of late that they have had enough of high ideologies in their foreign policy for a while, and all are moving toward the conference table as a preferred alternative to mutual destruction over ideological issues that are, by definition, irresolvable.

It is the Third World today which has entered upon a period of intense ideological excitation, inspired in part by a new and fevered nationalism in each country and in part by a sense of community directed against the industrialized powers. In these circumstances, even if it were possible to muster a domestic consensus in the United States for some sort of ideological offensive, it is difficult to believe that such an offensive could do other than to isolate the United States further, and further disrupt the fragile international order that now exists.

Finally, it is now commonplace to observe that the agenda of inter-

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national affairs is today expanding beyond the traditional issues of security and balance of power to include complex issues of economic interdependence, resource management and global preservation. Issues like these by their nature require multilateral negotiatory treatment, and simply cannot be dealt with on an ideological basis.

For these reasons, and others as well, another call to ideological arms does not at this time offer a promising basis upon which to build U.S. foreign policy for the last quarter of this century. The relationship between a foreign policy that contains some component of ideological preference and a foreign policy that is heavily ideologized is the relationship between normal cell activity and cancerous cell activity. For a complex nation in a complex world, single-minded pursuit of some fixed ideological objective will not only deprive that nation of gains that might otherwise have been made in the direction of multiple objectives that are important to it; will not only guarantee a continuously dangerous condition of crisis and confrontation with others; will not only lead to misassessments of objective realities and the nation's capacity to change them; but will also lead to division and self-destructive tendencies within the body politic itself—all as we have recently experienced in our Vietnam involvement.

V

And yet there remains an important moral role for the United States to play in the world.

As the world's preeminent military power, we can expect to produce in others some fear and also some awe. As the world's most efficient producer we can expect to excite criticism and also some admiration. As the world's richest nation we can expect to generate in others some envy and also some esteem. But we cannot expect to achieve the inspiration of others except through spiritual leadership. The United States has in the past provided that inspiration to the world. It is not doing it now. But it can, one day, do it again.

No contemporary American can be unaware of the deficiencies, shortcomings and blind spots that still mar the social landscape of the United States today, and the painful slowness with which we have sometimes moved to correct these failings. But many Americans, especially younger ones, do need to remind themselves that, for all its blemishes, the United States stands in the forefront of the world in its commitment to the proposition that the individual human being should be free—free to think what he wants, write what he wishes, assemble as he will, read as his curiosity leads him, paint as his eye uniquely sees, worship as to him seems right, and espouse whatsoever

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political position he finds congenial, so long only as he accords those same privileges to his fellow citizens.

The United States has been imbued with this spirit of individual liberty since its founding, and its institutions are imbued with it today. There is no doubt whatsoever in my mind that this urge for individual self-expression has ever been the ultimate revolutionary aspiration and always will be. In this sense, the United States remains the most progressive revolutionary society in the world.

We are, however, living in a transitory period in which the vocabulary of revolutionary aspirations is turned upside-down; today's revolutionary voices have little or no interest in, or are actively opposed to, the ideal of individual expression. The reasons are not hard to find. Over the course of this century, the unindustrialized former colonies of the world, the backward fastnesses of Russia, and the traditionalist frozen-in-amber static society of China have all grimly determined that they will somehow, at whatever cost, make the twentieth century the era in which they asserted their full nationhood, garnered for themselves the bounty of modern technology, and shattered the atavistic social, political, and wealth structures they had inherited from the past. Future historians will see this century as a period of the most extraordinary achievement for these countries, as they set out to try to bring themselves abreast of the industrialized West and as they are, in varying degrees, making progress in so doing.

The United States has in the main misunderstood the process that is taking place in the unindustrialized countries in this century. In some degree we have grasped that economic modernization is being pursued and in some degree we have sought to assist in that regard. To a degree we have understood that basic human social services are needed in the developing countries and, again, we have done something to try to help with programs for schools, medical care and the like. But we have had little or no understanding of the demand for change in the ancient social orders of these countries or the demand for national self-expression. We have, as a result, for the most part comported ourselves toward these countries so as to appear to be (and sometimes clearly have been) opposed to their internal forces of modernization and in league with their domestic forces seeking to maintain the status quo.

In some instances we have been negative toward these new societies because our democratic preferences—especially those of our liberal ideologues—have been repelled by the authoritarian character of their new governments. Sometimes we have been negative toward them because our free market preferences—especially those of our

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conservative ideologues—have been repelled by the planned economy preference of some of the new governments. Sometimes we have been negative because some private U.S. economic interest groups stood to suffer immediate losses from a change in the status quo and succeeded in harnessing Washington to their narrow interests. Sometimes the leaders that have arisen in the nonindustrialized countries have seemed to us to be demagogues, or worse. Sometimes we have been negative because the economic policies pursued by the new regimes have been not only harmful to U.S. interests, but downright suicidal for themselves. But most often the issues of U.S. attitude toward a newly developing country became wholly confounded with and dominated by the global confrontation of the cold war; we thought it necessary to support the forces of the status quo because the alternative seemed to be an extension of dangerous Russian global influence, "the spread of communism."

In many of the emerging countries there has been some validity in one or a number of these U.S. perspectives. But the ultimate underlying truth was that the time had come for the industrially backward people of the world to move into the twentieth century, and move they have. More often than not, the United States has wound up on the wrong side of that historic evolution. As a result, the United States stands today in deep disfavor among many of the developing countries, and is portrayed as the main external adversary opposing their national development, internal modernization, and economic advancement.[2]

In a similar way, other programs and institutions affiliated with the United States have become suspect or villains in the view of many in the Third World. The CIA is, of course, the most virulently attacked. Ironically, AID—born as a beneficent program for the express purpose of assisting the Third World development process—is calumniated only a little less. And in the eyes of many developing countries, foreign-controlled multinational corporate enterprises—many of which are based in the United States—have come to be identified with the old imperialistic economic order.

As a result, increased taxation, expropriation, and, of late, kidnapping and terrorism have been directed against such companies.

[2] We thus left the door open—we threw the door open—to the Soviet Union to declare itself as friend of the forces of modernization in these countries. As it has turned out, however, the Russians have done little with this opportunity. Despite the openings offered them, they have conducted themselves in such a ham-handed manner that they have been thrown out after having been invited in (as in Ghana, Sudan, Egypt, and Indonesia), and have been able to hang on only where their troops are stationed in active occupation or where, as in Cuba, they support a regime by direct subvention. The "spread of communism" has not gone quite as easily in Third World countries as Soviet planners hoped, or American planners feared.

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Popular attitudes in these countries toward such treatment of multinational companies are evocative of our own dim recollections of Saxon Robin Hood, living dispossessed in his own country and penniless in the woods, and making occasional retributory forays against rich, fat bishops and the symbols of outlander Norman authority—a dangerous legend for the world's richest country to perpetuate. Many (not all) of the charges made in the Third World against the multinational companies are unfair, and the companies have frequently brought employment and other advantages to other countries where they have invested. But though the Normans, too, brought many advanced and elevated benefits to rustic, backward England, it took a very long time for the men in Sherwood Forest to see it that way.

More generally, these attitudes, coupled with precarious economic conditions in much of the Third World, have produced heavy political pressures in the United Nations and other forums for a so-called "new international economic order" and other proposals for major wealth transfers by the industrialized West to the Third World, backed up by efforts to organize raw materials cartels and threats to resort to boycotts and other forms of arm twisting. These efforts at pressure may or may not prove ultimately effective, but they have already introduced new heat, strain and danger into the world's international political relations and will doubtless continue to do so.

It is now obvious to all that our Vietnam policy was a blunder; one cannot help but wonder, too, how different and better a world it would be for the United States today—and for everybody else—if we had worked more actively for the last 30 years to assist the forces for change in the Third World. Given the tensions of the cold war, the U.S. misperception of the Third World's historical situation, and the economic interests of significant elements of the United States, it is probably true that we could not have done significantly better than we did. In any case, we did not do so, and we shall now for a time have to live with the consequences.

And we must look to the future. In part, what happened during the post-World War II era was that the United States completely misunderstood what revolution we were witnessing in the emerging postcolonial countries. Naïvely, though understandably enough, we thought our own history would be relived by these new nations. In keeping with our anti-colonial traditions, our position immediately following World War II was strongly in favor of granting prompt independence to the colonies of England, France, Holland, and Belgium—much to the annoyance of those wartime allies. So far, so good.

But we then expected the newly independent countries to start at

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once to behave politically like the Commonwealth of Massachusetts in 1776—complete with parliaments, voting, free press, private entrepreneurship, and the like. We based our policy on that premise—and were promptly disappointed, as in almost no case did the emerging countries follow those expectations. Circumstances in the new unindustrialized countries of this century were wholly different from ours in 1776, and it was not yet time for our kind of revolution. It was time instead for the pursuit of three great goals "at whatever cost"—the building of nationhood, economic modernization, and internal social restructuring.

In those three efforts, some (not all) of the new societies have made extraordinary progress. But they have had to pay a large price for that progress. The price has been paid largely in regimentation, submergence of the individual, suppression of dissent, discouragement of inquiry, public misinformation, and imposed conformity. They have become conscript societies. It will be long debated whether up to now it has been necessary to become a conscript society in order to achieve the goals that were set. But now, as collective social progress has been made, the time is coming, so far most noticeably in Eastern Europe and the Soviet Union, when the seeds of individual expression are stirring and seeking an outlet to sprout. The rustlings of personal expression will not be confined there.

It is not a credible proposition, for example, that the magnificently civilized, creative, colorful and sophisticated Chinese people will for long be content to be compelled to look at only the same eight politically authorized operas, and to spend their lives in gray formations doing responsive readings in unison. Throughout the authoritarian world, the stage is slowly being set for the next evolutionary if not revolutionary move forward, the resumption of the ancient craving for individual liberty. No amount of internal secret police work will stop it. And bit by bit, whatever totalitarian communism or totalitarian neo-Peronism may achieve today in the realm of forced-draft social modernization, tomorrow's reformers will see the political structures of these conscript societies for what they are—authoritarian and repressive.

Revolutionary movements of the past century have all begun as movements toward idealized collective economic and social systems. But once installed in power they have become primarily distinguished by, and are likely to be most remembered for, their innovative and unique systems of rigid political control.[3] When eventually the counterpressure to these repressive systems mounts, the thrust will not be

[3] Their origins as conspiratorial semi-military undergrounds may account for a part of this.

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toward new social and economic ends, but toward the ancient goals of political freedom and individual self-expression.

Marx, it will be recalled, paid tribute to the rise of the capitalist bourgeoisie as the modernizing agent that swept away the rotting social castle of aristocracy and feudalism in Western Europe and substituted a better, more efficient, more productive and widely sharing society. In the Marxist view, however, the new post-feudal system bore within itself the seeds of its own destruction and will in time be swept into the dustbin of history as it is replaced by the new order of socialism. Socialism will then build upon the social gains that were made during the capitalist era.

This historical prognosis is parallel to the point argued here. In some backward countries during the twentieth century, totalitarian regimes, some of them communist, are acting as the modernizing agent to sweep away the rotting manor house of aristocracy and colonialism and substitute a better, more efficient, more productive and widely sharing society. But these new regimes bear within themselves the seeds of their own destruction, for they can allow no significant room for the expression of the individual human spirit. As the latent drives for personal liberation again become active, the authoritarian regimes of today—musty, ossified, and profoundly reactionary—will be themselves swept into the dustbin of history. The new progressive elements will not then reinstate the earlier pre-industrial order that was but will proceed to build upon the social and economic gains made during the era of conscript modernization.[4]

The time will come—in some countries soon—when the triple tasks of nation-building, modernization, and social restructuring by authoritarian means will be largely completed, or become too costly to be pursued single-mindedly further. When that time comes, if the United States has maintained vital and active the traditions of its own revolution and Constitution, then the banners for the next round of progressive change will be rediscovered safe in Philadelphia.

Whatever policy the United States may follow in economic matters, it is debatable whether the developing nations that have adopted central economic planning systems will ever welcome the return of fully free-market forces to their economies.[5] But if American preserves at home its steadfast stand in favor of the claim of the free individual, and also continues to make progress in dealing with its own internal social inequities, the United States will eventually regain its moral

[4] Though it is fascinating to note that a reinstatement of the ancient order seems to be what Solzhenitsyn would envision for Russia.

[5] On the other hand, who 300 years ago would have predicted the retreat of centrally planned mercantilism?

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leadership among the nations of the world—not by force of its economic power and its arms but by virtue of its ideological example as a society of free men.

In the long view, the surest way for the United States to influence for the better the ideological future of mankind everywhere is by being sure that we present an unwavering example of commitment to our principles at home. And that *is* an ideological target that can be —has been—set for all Americans.

In the meantime, in the United Nations and other forums, the United States should do what it can to train the spotlight of international public attention upon the openness of its own society and upon the oppressive closedness of authoritarian regimes, of the right or the left. Such steps by the United States will not be widely welcomed for some time to come. They will not be welcomed because human liberties are never a favorite topic of restrictive regimes, because most developing countries see the present era as the epoch for industrial and social development and consider the time to be premature for serious concern about the individual, and because the United States is today viewed negatively in many parts of the world. Nevertheless, the United States should continuously speak out internationally to reassert its ideological stance on individual freedom and expression. In time, the audience of the world will once more listen and respond.

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FOOD POLITICS

By Emma Rothschild

THERE is no doctrine more deceptive than the new idea that food is power. According to the doctrine, the United States has new power in the world by virtue of its position as the largest producer and exporter of food: in particular, over those developing countries, from the most destitute states to the richest oil-exporting countries, which import American food. The doctrine of food as power is deluded for several reasons. It promises an impossible form of influence. And it nurtures a false view of what has happened in the food crisis of the 1970s; of the political consequences of the crisis; of the even more fearsome consequences to come.

The new politics of food has been a specter in the international economic crisis. To some Americans, the possibility of agricultural power suggested extravagant opportunities. The Central Intelligence Agency's Office of Political Research, for example, looking recently at the future of food, concluded that "As custodian of the bulk of the world's exportable grain, the United States might regain the primacy in world affairs that it held in the immediate postwar period."[1] The United States, others suggested, might join a cartel of food-exporting countries, an OPEC (Organization of Petroleum Exporting Countries) for agriculture. The object of such an organization could be profit; it could be the opportunity to influence other countries to favor agricultural reform, for example, or contraception.

In the recent crisis, American pre-eminence in food also seemed to offer immediate advantages. The prospect that the United States might restrict its food exports for political purposes was disputed, hinted, feared. Food was considered as a means of exerting pressure on the OPEC countries, through a "counter-embargo," or some form of agricultural export tax. President Ford alluded to the possibility in 1974, in his first address to the United Nations—if only to deny it: "It has not been our policy," he said, "to use food as a political weapon, despite the oil embargo and recent oil price and production decisions."

The political consequences of the food crisis go far beyond the "new politics" of food as power. The United States will have some form of influence over the countries that buy American food: as a new instrument of power this influence will, I think, turn out to be illusory.

[1] Central Intelligence Agency, Directorate of Intelligence: Office of Political Research, *Potential of Trends in World Population, Food Production and Climate* (OPR 401), August 1974.

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But the wider issues of American food policy will have enormous consequences for international relations. It is these issues which will constitute a continuing politics of food: issues of prices, export policy, the role of the free market in determining the future of American agriculture, and how U.S. agricultural policy should change in the new conditions of the world food economy.

The United States exports food to almost all countries, and almost all countries have been affected by the food crisis. But the politics of U.S. food exports most concerns the developing countries. Agriculture will influence U.S. relations with several rich countries, including, notably, the Soviet Union and Japan, and worldwide agricultural exports already contribute $21 billion a year to the U.S. balance of payments; no rich country, however, is now as dependent on U.S. food policy as many developing countries have become. Together, developing countries account for the largest market for U.S. agricultural exports, and the market where U.S. pre-eminence is most complete. It is also the market which has changed most in the past several years of disorder. The United States exports more than $8 billion worth of agricultural products to developing countries, or almost 40 percent of the entire value of U.S. farm exports. More than 90 developing countries import American food. Some of the most prosperous (Mexico, for example, or South Korea) and some of the poorest (Bangladesh) depend critically upon imports of U.S. wheat; the OPEC countries now spend more than $1.7 billion a year to buy U.S. agricultural exports.

The conditions of this commerce have changed since 1972 from aid to trade. Until the early 1970s, half of all U.S. food exports to developing countries were sold under foreign aid agreements. Now, aid agreements account for less than 15 percent of these exports. From 1972 to 1975, the value of commercial exports increased from $1.7 billion to $7 billion, while the value of aid-financed exports varied around a level of $1 billion. Most U.S. food exports to developing countries go to the more prosperous among them, but even the poorest countries buy U.S. food for dollars. The politics of food, now, is a politics of trade, not charity.

In the next ten years, economic questions will be at the heart of America's relations with the developing world. And there is no economic question where U.S. policies and U.S. relationships have changed more than in agriculture. These changes have already transformed economic relations between the United States and many developing countries. The politics of agriculture will in the future be more important and more perilous: a determining force in the choice

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between a new economic order, Secretary Kissinger's "new global consensus," and a world economy of confusion and despair.

II

The development of the world food economy is inextricably involved with the course of U.S. agricultural policy. This was so during the three years of inflation and shortages after 1972. It is so in 1976, as nations consider the still unresolved issues of the recent crisis. It will be true for the next ten years of change and reconstruction.

The causes of the disorder that began in 1972 are now more obvious than they seemed at the time. The increase in food prices, it is now clear, was not a sign of lasting natural or environmental change. The food crisis, as much as the oil crisis or the crisis of the international monetary system, was a consequence of changes in the economic policies of nations. This was the conclusion of almost all the mass of studies, projections and reports prepared after the events of 1972 and 1973. No new physical factor—no change in climate, for example, or unanticipated increase in the rate of growth of population—altered the balance between the demand for food in the world and the supply. The weather was bad in the early 1970s, but not abnormally so; the fluctuations in world food production were within normal limits. The shortages had to do with the distribution of food between nations, and not with worldwide scarcity. Rich countries such as the Soviet Union and Japan imported food throughout the crisis; several poor countries—such as Bangladesh, immediately before the famine it suffered in the autumn of 1974—could not afford to import the food they needed.[2]

In the next 10 to 20 years, too, there is no environmental reason that the world should not produce enough food to feed all its people and animals, and to provide a better diet for hundreds of millions of malnourished people. In the 1980s, as in 1974, crises in food will be crises of price: when food prices change suddenly, or when countries come close to insolvency in order to import the food they need. The food will be available, but often in the wrong place and at the wrong price.

The international food distribution system is at the heart of the food problem. And this system is founded on American exports and American policies. American dominance in world food exports is well known. President Ford's most recent International Economic Report states a familiar comparison with the international oil trade: "[Our]

[2] See Lyle P. Schertz, "World Food: Prices and the Poor," *Foreign Affairs,* April 1974; United Nations World Food Conference, *Assessment of the World Food Situation,* New York: United Nations, Preparatory Committees (E/CONF. 65/3), 1974.

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importance in the international grain and oilseed trade is as great as the Persian Gulf countries in crude oil trade." The United States sells half of all grain exported, and Canada, France and Australia account for most of the rest. The United States is also the only genuinely global exporter. It sells food in all continents and to some 130 countries.

U.S. dominance is even greater in the trade with developing countries than in the grain trade as a whole. It sells a third of the wheat that the Western industrialized countries import, for example, but almost two-thirds of the wheat imported by developing countries. Where other countries "specialize" in their sales to the developing world—France selling to Africa, Australia to Asia, Canada to Latin America—the United States sells everywhere. It is the major supplier of imported wheat to all but a handful of developing countries—and the exceptions have historical ties to France or to the British Commonwealth (Senegal, Malaysia), or do not trade with America (Cuba, North Korea), or have a recent history of political difference with the United States (Egypt, Sri Lanka—and these two countries have increased their imports of U.S. food substantially in the last year).

The importance of the United States in the world grain trade is not new, of course. Secretary of Agriculture Orville Freeman described U.S. dominance, and the dependence of many developing countries, in these pages nine years ago.[3] Indeed, the U.S. share of world exports has been only slightly greater in the last few years than it was in the mid-1960s, or even the mid-1950s: a modest improvement largely at the expense of Canada, which has been losing its share of grain exports to the United States rather steadily since the 1930s.

What has changed, in the 1970s, is not the pre-eminence of the United States, but its policies. The world food economy before 1972 was American-centered and American-secured, an agricultural order directed in Kansas City or in the U.S. Department of Agriculture. It was based on the agricultural policies of the U.S. government, much as the international monetary system was based on the dollar. And it is this old agricultural order that has fallen apart in the 1970s.

The statistics of grain exports make agricultural trade sound somehow effortless, as though "grain" were a homogeneous commodity to be delivered easily from Kansas to Seoul. Yet agricultural production is necessarily variable. Until the mid-twentieth century, the only states to depend for long periods of time on imports of basic grain

[3] Orville L. Freeman, "Malthus, Marx and the North American Breadbasket," *Foreign Affairs*, July 1967.

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were the most secure of imperial (and naval) powers: Athens at the height of its empire, Britain after the Repeal of the Corn Laws in 1846. Now weak states depend on lines of supply stretching halfway around the world, and poor states buy food on world markets.

The security of the world food economy has required immense expense, immense political effort. And this effort, in the 1950s and 1960s, was almost entirely American. The two supports of the system were the grain reserves owned by the U.S. government, and the U.S. policy of exporting food on favorable credit terms, as part of its foreign aid program. The U.S. government used its reserves to keep prices stable, and to maintain a secure supply of grain for export. It used the PL (Public Law) 480 food aid program to send food to poor countries; one of the consequences of the program was to prevent perennial disasters in the poorest food-importing countries. These U.S. policies were, however, adopted with little thought about the lasting political consequences of agricultural policy. The American agricultural empire was acquired as if by accident. The policies were designed, of course, to make possible the expansion of American exports and they did bring great profit and opportunity to American farmers. Foreign customers came to depend on U.S. food in a market where prices were stable and exports subsidized.

The history of the last four years of agricultural crisis is, in essence, a history of the decline of this old order. Since 1972, the U.S. government has held no more than minimal reserves of grain. World grain prices, which were more or less constant between 1956 and the end of 1972, now fluctuate wildly. The U.S. government also exported much less food as aid, sending much of what it did ship to Vietnam and Cambodia. The poorest countries received less than one-fifth as much food under U.S. aid programs in 1973 and 1974 as they had in the mid-1960s: not enough, from the United States or other sources, to avoid famine in Asian and African countries. The foundations of the old system no longer held.

III

Two major issues of principle were at the center of the momentous change in U.S. food policy in the early 1970s. One set of issues had to do with domestic concerns, and with the role of free enterprise in American agriculture. Since 1969, the policy of the Nixon and Ford Administrations has been to remove the government from agriculture. The federal government, according to this policy, should no longer own reserves of commodities and regulate prices, as it has for more than 30 years. Price changes should regulate the movement of re-

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sources into and within agriculture. There were practical reasons in 1969 to be dissatisfied with recent farm policy. The government programs of the 1960s were expensive, and failed to provide farmers a decent income. From 1969 to 1971, in fact, American farmers were in the most severe recession since the early 1930s. Yet the Nixon Administration's enthusiasm for change was also lit by ideology: by a position in a long dispute about free enterprise and agricultural prices. For many officials, the change in policy was a matter of the greatest historical and ideological moment. The new policy, on this view, marked a break with 36 years of history since the agricultural reforms of 1933—from Roosevelt to Nixon.

The other issue in the new agricultural policy had to do with America's position in the world economy. The reserves and food aid policies of the Nixon Administration can be seen, in retrospect, as part of a wider vision. U.S. policy, in the early 1970s, called for a retreat from the arduous costs of world power in economic policy as well as in foreign policies more generally. And the United States, albeit to its own profit, had borne a more than proportionate share of the costs of keeping world food prices stable and paying for food aid to the poorest countries. The resolve of the U.S. government to dispose of its grain reserves was comparable, in this sense, to its resolve after August 1971 to limit the role of the dollar in the international monetary system. In President Nixon's words, the United States was no longer prepared to bear the "lion's share" of the costs of world reserves. (Food and monetary policies were also connected directly, in that the devaluation of the dollar—justified at the time as an instrument to make U.S. exports more competitive—made possible the great increase in U.S. grain exports in 1972 and 1973.) Secretary Butz, himself an articulate exponent of the Nixon Administration's wider foreign vision, has made the relationship of foreign and foreign agricultural policies explicit. "As we are not the world's policeman," he declared in a speech about U.S. food aid, "neither are we the world's father-provider."

It may be objected that an emphasis on these issues of principle in U.S. policy ascribes too much purpose to the acts of the U.S. government in the 1970s. The international economic policy of the Nixon and Ford White Houses was obviously often chaotic. Agricultural policy lurched from one famous futility to the next: the mishandling of the grain sales to the Soviet Union in 1972; the embargo on soybean exports in 1973; the deadly interruptions of U.S. food aid to very poor countries. Decisions were influenced by the most imminent of electoral concerns. The functions of international agricultural policy were di-

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vided between different government agencies, between the Executive and Congress, between farm and corporate interests. Yet the principles are no less important for being discernible only in retrospect. And the recent policy of the United States—to remove the government from the conduct of agriculture, and the United States from the conduct of the world food economy—leads of necessity to diversity and confusion.

In 1976, the situation of the world food economy is still one of transition from the old American-determined order to an uncertain future. There is still no sign of a new international order for food. Reforms in food policies that have occurred since 1972 have been national more than international. In addition, they have dealt with the concerns of rich countries more than of the developing countries. The United Nations World Food Conference of 1974 called for international cooperation in holding reserves, in providing food as aid, and in promoting agricultural development in order to reduce the dependence of poor countries on the world food trade. Very little progress has been made toward these objectives. Several countries have increased their own reserves, and the amount of food they give as aid, but there is no agreement about how to coordinate national reserves and aid policies; many rich and poor countries plan to increase their food production, but this will take years to accomplish.

The recent U.S. agreement with the Soviet Union, to take one example of reform in agricultural trade, will have mixed consequences for the developing countries. The Soviet Union's grain imports vary greatly from year to year, and have been a major cause of instability in world prices. Under the 1975 accord, the Soviet Union will buy a relatively constant amount of U.S. grain each year until 1980. This agreement will undoubtedly reduce fluctuations in the price of U.S. grain, and to that extent will benefit the food-importing developing countries. But the agreement does not, for example, require the Soviet Union to buy its grain at regular intervals throughout the year. As a bilateral commitment, it does not affect the Soviet Union's worldwide buying or the indirect consequences of Soviet buying for U.S. market prices. In addition, as more U.S. exports are reserved for the largest customers—in bilateral agreements with the Soviet Union, bilateral understandings with Japan as an old and reliable client, informal understandings with European Community importers—developing countries may become least-favored buyers, competing for supplies in the interstices of the U.S. market.

Many of the rich food-importing countries have changed their own agricultural policies since 1972. Several of these developed countries intend in the next ten years to reduce their dependence on imported

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food, and specifically on American grain. The Soviet Union itself is reported to be investing heavily in self-sufficiency, in projects for agricultural development, and also in storage for food reserves. Japan, the largest and most loyal of American agricultural customers, buys corn from Thailand under long-term arrangements, invests more in domestic food production, and intends to increase her investment in cattle ranching in Australia and Africa. The European Community (EC) countries, having achieved self-sufficiency in wheat, discuss increasing their production of animal feed. Britain, long a paragon of agricultural free trade, now aspires to produce more of its own food, as urged in a celebrated Government White Paper called "Food From Our Own Resources." These changes are of interest in that they reveal the unanimity of pessimism with which powerful states look to the future of the world food economy, but they do not greatly alter the situation of the poorer countries which will compete in that uncertain economy.

The developed food-exporting countries have also changed their policies in the past year or so, and in ways which will have rather more impact on developing countries. As food prices increase and the developing countries spend more cash on imported food, the competitors of the United States devote more effort to market development. Canada and Australia pursue markets in the oil-exporting countries; the EC has approved a long-term agreement to supply food to Egypt at subsidized prices. France, in fact, now proposes a major reorientation of farm exports toward markets in developing countries. The French government, in the "orientation" for its recent Seventh Plan, explains that for France, as for the United States, food exports will play an important role in improving the national balance of payments after the increase in oil costs. French agriculture, the officials write, can "become a structural and no longer an occasional exporter on world markets." Exporters, they suggest, should not be discouraged if markets in developing countries do not appear to promise a rapid increase in profitable demand. French agriculture should consider "the modification of consumption habits" in new markets, and should demand an increase in food aid to developing countries, apparently for the purpose of increasing the dependence of new customers. These recommendations seem to imitate American efforts of the 1950s and 1960s, nurturing new markets with little concern for the growth of agriculture in the developing countries. But if France and other countries do increase their exports, the world food economy will become more diverse and open. Such a change, all the same, will come about only slowly over the next ten years.

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The policies of developing countries themselves have changed as well. The food-importing developing countries are at least as aware as Britain or the Soviet Union of the perils ahead in the world food economy. They have suffered the most in the disorders since 1972, and will have most at risk in the 1980s. Many, perhaps most, developing countries now see greatly increased political and economic benefits in promoting agricultural development. Many already favor new projects for increasing food production: from Mexico and Peru, Sri Lanka and Malaysia to almost all of the OPEC countries. But it will inevitably take a number of years before these countries substantially increase their rate of growth of food production. (It is a condition of underdevelopment that economic change takes time. Peru, to illustrate, sets out toward increasing food production with fewer resources than Britain: fewer roads, fewer schools, fewer agricultural technologists, worse water supplies, less money.) The depth of a world depression is also a peculiarly difficult time to begin, with the flow of resources to developing countries limited, and several food-importing countries desperately short of foreign exchange.

The change in political attitudes toward agriculture is of great importance. At its most general, it signifies a doubt in many developing countries about the benefits of "interdependence," or of development dependent upon international trade: an affirmation of the policy of determined autarky that was urged by the Chinese at the World Food Conference. But this political change will not be sufficient to alter the conditions of the world food economy before 1980.

In the next ten years, then, the world food economy will change only slowly. The new agricultural policies of different nations will eventually limit the growth in U.S. exports; over several decades, too, the United States will lose some of its comparative advantage in agriculture, both because U.S. agriculture is particularly energy-intensive and because the United States will have less unused land than many poorer countries. But in 1976, there are no new arrangements to replace the old American order in agricultural trade. U.S. policy or non-policy will continue to be of determining importance for the food situation of many developing countries and therefore in the international politics of food. Nothing that has happened since 1972, either in the United States or in other countries, yet suggests that the next ten years will be different from the years of transition and disorder since 1972.

IV

The political consequences of American agricultural pre-eminence

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will be very obviously diverse for different developing countries. The "developing world" is not homogeneous, least of all as regards food. Some of the poorest countries (of which the largest are India and Bangladesh) need to import food to keep all their people alive, and need foreign aid in order to pay for the food. The richer developing countries buy most of their food on commercial markets, and use grain to supply a growing livestock industry. The OPEC countries are a special category among these more prosperous states.

The political power of the United States as a leading oligopolist of food most obviously concerns countries in the first category. The CIA analysts address this prospect, briskly speaking the unspeakable. If the weather is more or less the same for the next decades, they argue, "it is essentially the poorer LDCs [less-developed countries] that will become ever more dependent on U.S. food exports." These countries will apply to the United States for credit to buy food or for food as aid; "moreover, ability to provide relief food in periods of shortage or famine will enhance U.S. influence." If the weather were to become cooler, the dependence of the poor would be yet more pronounced. ("Washington would acquire virtual life and death power over the fate of multitudes of the needy. . . .") It is in this circumstance of bad weather that the analysts conceive of the United States as surpassing its "economic and political dominance . . . of the immediate post-World War II years."

The power of life and death over Bangladesh is not, apparently, a form of influence cherished by the U.S. government. Several U.S. officials I spoke with described the issue of relief to destitute countries in terms of domestic politics and inhibitions; one Treasury expert mentioned the power that very poor countries might exercise over the United States, a "power" to let millions of children starve on television. The CIA analysts themselves suggest an even more recondite menace, where "massive migration backed by force would become a very live issue." And they conclude soberly that the dependence of the very poor would "pose problems." Assistant Secretary of State Thomas Enders, one of the senior U.S. officials concerned with international food policy, expressed the same conclusion when he observed recently, speaking of the use of food as power, that "it is hard to think of any real purpose with the Indian subcontinent."

The politics of exporting food to very poor countries will involve more, therefore, than the use of power. U.S. power, in this situation, is not specific to food. It is a consequence, rather, of the dependence of destitute countries on the rich for food, credit, assistance. It seems likely that Americans will continue to feel a special responsibility for

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the emergency needs of the poorest food-importing countries. (For one thing, even if other rich countries were to assume a proportionate share of the costs of emergency food aid, they would have to buy much of the food in the United States, just as Saudi Arabia, for example, has bought American grain for Bangladesh.) Yet the present prospect for continuing insecurity in food suggests disturbing questions about this more general politics of food.

U.S. food aid has increased in the last year. In 1975, the United States more than doubled its food aid to the poorest countries. This came about in part because Congress has required since late in 1974 that 70 percent of all U.S. food aid be sent to those countries which the United Nations designates as "most seriously affected" by the economic crisis; and in part because the United States no longer sends food as aid to Indochina. The change in aid policy makes it easier for the United States to use food aid for emergency relief in poor countries. As Secretary Butz has said, "In any famine situation, now or in the future [we remain] committed to providing humanitarian aid."[4]

Two episodes from the recent crisis, however, illustrate the difficulties of humanitarian policy under conditions of insecurity and "free competition." The first has to do with the tendency of governments in time of crisis to invest poor nations with a form of strategic importance which they would not have in more normal times. In fact, U.S. officials pondered the strategic uses of desperation in the months after the OPEC oil price increase in December 1973. Senator Hubert Humphrey (D-Minn.) described the episode in a letter to Secretary Kissinger in April 1974: "The United States has taken no initiative with respect to stepped-up food aid. . . . There have been repeated private references from within the Administration that this is a strategy designed to maximize pressure for an oil price roll-back, through highlighting the adverse effect of the oil price increases and encouraging developing country pressures on the OPEC countries, though not easing their dislocations resulting from developed country actions." The idea of the poorest countries as a despairing chorus line in international economic negotiations was soon abandoned, but only after some violence was done to U.S. principles of humanitarian policy.

[4] The U.S. Administration, it should be noted, rejects the views of those who propose a policy of "triage," or letting people starve now to avoid starving them later. This view justifies murder by omission on the grounds of an empirical and a moral judgment about the future: first a projection of the agricultural and nutritional situation of a group of people at a specified future time (for example, that people living in Bangladesh will be starving in 1990); second, a projection of future morality (that Americans will in 1990 not wish to prevent starvation in Bangladesh, at least at the cost of large increases in domestic food prices).

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The second episode has to do with the origins of the 1974 famine in Bangladesh; and with the ways in which the economic and corporate structures of the international food trade affect even the poorest countries. In a crisis, the distinctions between categories of developing countries elide. The most destitute countries will buy food in commercial markets when food aid is not available. Thus in 1974 the 32 poor countries which were classified as "most seriously affected" by the economic crisis bought $700 million worth of U.S. farm products on commercial terms. They more than tripled their commercial farm imports from the United States between 1973 and 1974: a "massive migration" into the showrooms of the grain trade, as the CIA analysts might put it.

Bangladesh, in 1973 and 1974, bought American food in commercial markets. The circumstances of the 1974 famine illustrate the consequence of chaos, where food policy is made inadvertently, and in the marketplace. Early in 1974, the Bangladesh government contracted to buy grain to meet its import needs from Canada, Australia and the United States. These purchases, at current high market prices, were to be financed with short-term commercial credit. In the summer of 1974, the Bangladesh government, desperately short of foreign exchange, was unable to obtain the credit. Two large sales by American grain companies, for delivery in the autumn, were therefore cancelled. Bangladesh was not able to obtain U.S. government credit. Meanwhile, U.S. agreements to supply food as aid under the PL 480 program were also delayed, mainly because officials were negotiating in secret as to whether Bangladesh was disqualified from receiving aid because it had sold jute to Cuba earlier in the year. (A Treasury official suggested afterward that, "at least at the Treasury," officials also considered triage-like ideas as to where the prevention of famine would be most useful.) By the time the American food arrived in Bangladesh, in December 1974, the autumn famine was over.

This story is not, I think, exceptional. Rather it illustrates that in a situation of competitive uncertainty "food policy" is made not only by governments but also by banks, grain companies, the price mechanism. It is the sort of thing that can happen again in future crises.

V

The issues of influence and power are different in the case of the richer developing countries. These countries take a large and increasing share of U.S. agricultural exports. It is their economic relations with the United States which have changed most, as agricultural trade has become dominated by commerce and not aid. Of the

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food that the United States exports to developing countries, less than 15 percent goes to the 30 or so poorest nations. In the next ten years this proportion is not likely to increase: the demand for food is growing faster in the more prosperous developing countries than in poorer countries, as people in Iran or Mexico eat better and buy more corn to feed their chickens. In 1974, each of 18 developing countries spent more than $100 million on U.S. agricultural exports, as compared with only five countries the year before. Several oil-exporting countries were among the 18, as were exporters of metals and raw materials (Peru, Chile, the Philippines) and countries with more diversified exports (Mexico, Brazil, South Korea).

There is no question that the United States has influence over these countries that depend on American food. The influence, now, is commercial. When the United Nation's original 32 "most seriously affected" countries are excluded, less than eight percent of the food the less-developed countries import from the United States is sent under PL 480 aid agreements; and almost all of this goes to countries such as Chile, Korea, Syria in which the United States has an intense political interest, either continuing or brief. The influence has to do with financing, foreign exchange, trade negotiations. Commercial sales to the richer developing countries are often, for example, financed with U.S. government export credit, under programs which the Department of Agriculture calls "a market retention and development tool." These countries are most concerned with the price at which food is sold.

American influence here again would become power only in the extremity of economic crisis. When the grain available in the world is unexpectedly limited (because of bad harvests, or war, or an increase in demand) the United States might be in a position to decide how to allocate scarcity among various grain users, domestic and foreign: by export controls, perhaps, or by price increases. In such a crisis, countries might compete for political priority or for credit. If supplies were to be allocated by export controls, they might compete to position themselves on the right side of an interdiction. In theory, then, the United States might find the opportunity to prosecute political, economic or other interests.

It is certain that harvests will often be bad, and that the demand for food exports will often change suddenly. But the conditions for a "successful" exercise of U.S. power are less certain. The conflicts inherent in the use of food power are illustrated in a recent suggestion by the agricultural expert, Lester Brown. Mr. Brown proposes that the United States and Canada form a Joint Commission, which "in

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a sense . . . would parallel the efforts by the OPEC countries to manage petroleum." One of the Commission's functions would be to superintend grain exports in time of scarcity. Brown suggests that it "restrict access" by certain countries, largely those that conceal their agricultural situation, or ignore agricultural development, or do not favor contraception: "Those countries that do not have responsible population policies should not count on access to U.S. food supplies . . . [agricultural and population] problems would be left for each country to work out on its own. . . . Evaluation at the international level would be focused on what the business community calls the 'bottom line,' the results."[5]

There are two main difficulties with such a plan. One has to do with the character of the grain market in a situation where most developing countries come to the United States not for food aid, but with dollars for commercial exports. (It is difficult to imagine the Commission's pronouncements: "The Commission regrets to inform the Ambassador of Colombia that according to our accountants' final report the population of Colombia increased last year at a rate of 3.32 percent. We have therefore directed the Continental Grain Company to undertake no further negotiations with the Colombian Ministry of Procurement. . . .")

Then too, the world grain market is peculiarly unsuited to export embargos. It is different from the world oil market, for example, in that less than an eighth of the grain produced in the world is traded internationally, as compared with more than half of all the oil produced. Thus, U.S. grain exports account for half of all grain exported, but only five percent of all grain produced, while the oil exports of the Persian Gulf states account for half of world exports, and nearly a third of all oil produced. Grain-importing countries therefore have enormously more opportunity than oil-importing countries to buy from odd sources—in the case of countries to which the United States refused to sell, from the residual 95 percent of the world harvest.

The second difficulty with the Brown scheme is political. The last ten years of U.S. involvement with the developing world do not commend the uses of coercion—far less those modes of coercion whose animus is deathly. The history of U.S. efforts to promote population policies is a case in point. In the mid-1960s, when the U.S. food aid program was at its most extensive, and U.S. ambitions in developing countries most expansive, the Johnson Administration adopted what

[5] Lester Brown, "The Global Politics of Food: Role and Responsibility of North America," Marfleet-Falconer Lecture, University of Toronto, September 1975.

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was called a "short-tether" policy in India, whereby PL 480 agreements were linked to the adoption of agricultural and population programs. That policy was resented intensely. There would be nothing, I think, more likely to destroy the influence the United States might have over food-importing countries than the possibility of future coercion.

The recent food crisis has already changed U.S. relations with many of the richer developing countries, however, in other ways. The developing countries suffered disproportionately from the increase in U.S. food prices. The conditions of a chaotic "free" market are always worst for poorer and smaller buyers. When the price of wheat increases by $4 per bushel, Mexico suffers more than, for example, Japan. Mexico's import bill for U.S. agricultural products increased by more than $700 million between 1972 and 1975: this increase is equivalent to more than one percent of Mexico's gross national product. Several of the more prosperous developing countries are close to insolvency this winter, and many import food as well as oil and other newly expensive commodities.

The breakdown in the old agricultural system appeared peculiarly traumatic to many people in developing countries. Several countries which buy U.S. food were in the past large recipients of U.S. food aid (Korea, Brazil, Colombia, the Philippines); it is a proud claim of the U.S. Department of Agriculture that these states have grown up to be cash customers for American wheat. For nearly 20 years, the United States has nurtured export markets with the PL 480 aid program. Many countries feel, too, that they have neglected their own agricultural development, in part because of the disincentive of subsidized food imports.

The crisis seemed sudden: as prices increased, U.S. government-sponsored groups in Latin America continued to promote the use of wheat macaroni in cooking, wheat flour in schools. (People in developed countries also, of course, objected to the rate at which U.S. policies changed. The U.S. embargo on soybean exports in 1973 became an angry political issue in Japan: a few weeks before the embargo, U.S. experts were touring Japan, explaining the joys of cooking with American soybeans.)

There is no doubt that the chaos in food exports contributed to the deterioration in U.S. relations with many developing countries in the early 1970s. The policy of the United States, as explained often by Secretary Kissinger, is to avoid "confrontation" with developing countries, to prevent the formation of economic blocs, to preserve the international economic system. Yet the consequences of U.S. food

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policy have been to contradict this principle. The resentment that developing countries felt at the crisis in food aid and food prices goes to the political heart of the movement for a "new economic order": the belief of many countries that the industrialized world, and the United States above all, owes a peculiar debt to developing countries because of its responsibility for building and breaking the old order.

This resentment also, of course, had practical consequences. The OPEC countries, to take one extreme case, were certainly influenced in 1973 and 1974 by the recent history of inflation and crisis in U.S. food exports. It is not solely in the spirit of revisionist and self-justifying rhetoric that the Shah of Iran, for example, points to the earlier increase in U.S. food prices as a stimulus to OPEC's actions. Most of the increase in U.S. wheat prices took place before oil prices increased late in 1973. (As it was explained in August 1973, "What also needs to be recognized is that [the United States] can now buy a barrel of foreign crude oil with less than a bushel of wheat, and a year ago it took almost 2½ bushels to get that barrel." This was the voice not of the Shah but of *The Wall Street Journal*'s editorial writers.)

VI

The situation of OPEC countries since 1973 illustrates, finally, the limits of American food power and influence in a political crisis. The OPEC countries are as dependent on imported food as any group of developing countries. They include some of the least fertile countries (Saudi Arabia), countries which have in the past most neglected agricultural development (Algeria), and some of the countries most dependent on American grain (Venezuela). The OPEC countries have also multiplied their food imports quickly in the last few years. Before 1973, only Venezuela of the OPEC countries was a large and consistent buyer in U.S. agricultural markets. In the year after the 1973 oil price increases, the 13 OPEC countries bought some five million tons of U.S. grain; five countries (Iran, Venezuela, Algeria, Iraq and Saudi Arabia) each spent more than $100 million to buy American food.

It is the OPEC countries that U.S. officials had most clearly in mind when they hinted in 1974 at using food as a political weapon. The possibility of a "counter-embargo" in grain has been discussed widely in the United States since the Arab OPEC states' oil export embargo of 1973, as has the imposition of some equivalent of an export tax on grain sales to OPEC countries. This prospect is con-

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sidered anxiously in the OPEC countries themselves, and above all in the larger countries, which have real hopes for economic and industrial development. Thus Venezuelans, for example, are openly concerned about the possibility of a crisis in food exports: they often import close to 100 percent of their wheat from the United States, and almost half of all the grain they consume.

Yet, many of the oil-exporting countries are able to buy food elsewhere than in the United States. In November 1973, the U.S. House of Representatives published a well-known analysis of food embargos by the United States: the study concluded that the Arab OPEC states participating in the oil embargo could well afford to buy the food they need from other suppliers, and that much of the grain they import is in any case transshipped through third countries.[6] U.S. exports of grain to the Arab OPEC states have doubled since 1973. But the general argument still holds. As Assistant Secretary Enders observed to me recently, retaliation by the United States alone against the oil states in the Persian Gulf would be difficult, "unless you have destroyers all the way around."

The situation is rather more perilous for the poorer OPEC countries. But a selective food embargo, with or without destroyers in the Persian Gulf, would have many of the same political consequences as would the exercise of military force against oil-exporting countries. And embargos or taxes on food would require the solidarity of oil consumers: that France and Japan, for example, collaborate in militancy instead of hastening to sell.

The commercial inhibitions against a political restriction of U.S. food exports are also forceful. American farm exporters have with notable enterprise developed a $1.7-billion market in the OPEC countries; the oil-exporting countries are of even greater interest to U.S. traders in that their demand for food will continue to grow very fast. Already, by 1974, the OPEC countries in the Middle East alone accounted for half of all commercial exports of American rice, and four-fifths of the increase in these exports. Iran was the third largest customer for U.S. wheat (after Japan and India) and the largest paying customer for American rice and soybean oil. It seems clear that even the discussion of food embargos in the United States has hurt the prospects of American farmers in this lavish market: Iran is now considering the possibility of long-term contracts to buy Australian wheat, while the European Community countries eagerly suggest

[6] *Data and Analysis Concerning the Possibility of a U.S. Food Embargo as a Response to the Present Arab Oil Embargo,* U.S. House of Representatives, Prepared for the Committee on Foreign Affairs by the Congressional Research Service, November 29, 1973.

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agricultural export arrangements to Algeria, Iran and Iraq.

In the longer term, finally, the OPEC countries will also have the resources to increase their own agricultural production, or to develop new sources of supply. All the larger OPEC countries now place a high priority in their development projects on increasing self-sufficiency in food. There are social and environmental as well as geopolitical reasons for this choice: Venezuela has favored agricultural development for years, and the present government hopes to create "the first tropical country where the rural population achieves the same per capita income as the urban population;" Algeria is building a "green barrage" against the encroachment of the Sahara. Some of the projects are equivalent to the inverse of the U.S. government's Project Independence for oil. Iraq will settle colonies of Egyptian peasant farmers in the valley between the Tigris and the Euphrates; the Arab Fund for Social and Economic Development proposes to invest at least a billion dollars to make the Sudan, which already exports grain, meat and sesame seeds across the Red Sea to Saudi Arabia, into an agricultural hinterland for the Middle East.

VII

The issues and illusions of food power suggest more general questions about the politics of U.S. economic power. The use of economic power has appeared to require a diminution of U.S. power in general. "Food power," that is, is conceivable only in a situation of agricultural transition, where the United States is engaged in retreat from the power it exercised during the 20 years when the world food economy was American-ordered and American-secured. This paradox explains the fallacy in the CIA analysts' view of food and power. They see food as restoring the "primacy" of the United States: yet the use of food as power is founded on the diminution of that primacy.

The politics of food in the next ten years will be a matter not of power but of the economic issues, from prices and reserves to export promotion, which have already, since 1972, so influenced U.S. relations with developing countries. And these issues lead back of necessity to the domestic issues of U.S. agricultural policy: to the principles of free enterprise and retreat from hegemony which have dominated U.S. decisions about world food since the Nixon Administration's "new agricultural policy."

The domestic issue of laissez-faire in agricultural policy has important international consequences. It suggests profound questions about the nature of American agriculture: Is agriculture a business much like any other? Are farmers simply entrepreneurs who live in

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the country? Do farmers want stable incomes, and do consumers deserve stable prices? The dispute in essentially its present form engaged the opponents of President Roosevelt's Agricultural Adjustment Act of 1933; as noted earlier, some modern enthusiasts believe that the agricultural reforms of 1969–1976 served to undo 36 years of Rooseveltian misrule. The long dispute was explained clearly by J. K. Galbraith in 1954, in a discussion of the opposition to agricultural price-support programs. As Galbraith observed, the history of U.S. agricultural policy in the twentieth century "mirrors a remarkable and continuing determination by farmers to gain some control over market forces." Yet he noted the conflicting opinion of Ezra Benson, Eisenhower's Secretary of Agriculture, that price supports should be used only to prevent "undue disaster," and not to keep prices stable: Galbraith's essay was written in answer to the manifesto of a group of "distinguished agricultural economists," who included Benson's eventual successor Earl Butz, as ardent for competition then as now.[7]

It is these issues of domestic principle which must be considered in any lasting reform of America's international food policy. Should agriculture be dominated by the free market? Can the old vision of a free agriculture properly be applied to a situation where American agriculture is oriented more and more to world markets, with more than two-thirds of all American wheat, for example, produced for export? How much consideration should be given to international consequences—the consequences, for example, of a U.S. policy of freely fluctuating export prices—in determining domestic farm policy?

Some of the answers to these questions are a matter of practical self-interest and efficiency. Many arguments against laissez-faire in agriculture, made for years in connection with domestic policies, apply yet more strongly to American agriculture in its international incarnation. U.S. agriculture is very far from any ideal of competitive enterprise. The use of resources in agriculture was determined during 40 years of planning. Agricultural prices are made in markets, for commodities and commodity futures, where large buyers and speculators are pre-eminent. The five large corporations that sell and ship almost all the grain exported by the United States (and many other countries) operate under conditions of notable confidentiality, license, and oligopoly. The U.S. government itself, moreover, explicitly exempts some of the international operations of U.S. agricul-

[7] J. K. Galbraith, "Economic Preconceptions and the Farm Policy," *American Economic Review,* March 1954.

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ture from the more stringent requirements of laissez-faire. As Clayton Yeutter, the U.S. trade negotiator, has explained: "There is no way that American agriculture can prosper solely on its domestic market. . . . Orienting agricultural policy toward a world market does not constitute government neglect of agriculture. On the contrary, it defines the areas where government can be really helpful—such as in international trade."

There are reasons other than economic efficiency to question whether free agricultural enterprise is in the self-interest of the United States. A world food market characterized by chaos and crisis is, for example, hardly the best circumstance for the development of agricultural trade. American farmers have a long-term interest in stimulating exports: the consequence of the recent disorder has been to encourage several foreign countries (Britain, Venezuela, the Soviet Union) to limit their dependence on U.S. exports by increasing agricultural production and diversifying the source of their imports. The argument can be extended, of course, to political issues. The United States has some interest in the influence that follows from agricultural trade. But such influence will be transitory where trade is continually interrupted or destroyed. As Secretary Kissinger suggests in his proposals for a new "global consensus" where cooperation replaces confrontation, the United States has an interest in a stable world, including, presumably, a secure agricultural economy, growing agricultural trade and the solvency of the international banking system with few food-importing countries defaulting on their loans.

Beyond this reasoning there is the question of fairness. The old order in food was in many ways the most extraordinary monument to American power. It brought the most profound modification in people's lives of the postwar period: the period of the American Peace, and of American economic dominance. The change was made possible by the $25 billion that the United States spent on its food aid program. People in Latin America learned to eat wheat flour, and people in Korea bought food shipped half-way around the world. The change went even beyond the economic and logistic dependence of food-importing countries, to the diet and culture of thousands of millions of people. It went, too, to an idiosyncratic ideal, of remaking the world in the image of wheat-eating and Americanism: an ideal of feeding the hungry and selling wheat. It is this structure which fell into pieces in the crisis of 1972–1976. There is a very evident sense in which America will fairly bear some responsibility for the construction of a new order.

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VIII

The most urgent reform of the agricultural order has to do with emergency assistance for countries facing a food crisis. One of the certainties in an uncertain situation is that such assistance will be needed —this spring, perhaps, or even this month. Rains and disease do not follow the timetable of nations convened in the International Wheat Agreement, for example, or in the World Food Council as it considers the emergency food reserve proposed in 1974 by the World Food Conference. National food-aid policies will therefore be of decisive importance. Indeed, in the months of crisis after the World Food Conference, it was the U.S. decision to provide more food as aid to poor countries that prevented greater disaster.

For the United States, the need to improve the process of emergency assistance is fairly widely accepted. The U.S. government believes that starvation is undesirable, and that catastrophe is not an instrument of international relations. Many officials now acknowledge the failure of U.S. aid policies in 1973 and 1974, toward Bangladesh and other countries, and favor a new U.S. policy for emergency food aid.

The elements of such a policy exist in the present U.S. law. The provision of the 1976 Foreign Assistance Act requiring that most U.S. food aid must go to the neediest countries is likely to be continued in similar form. Congress will this spring consider a revision of the PL 480 legislation, devised by Senators Hubert Humphrey (D-Minn.) and Dick Clark (D-Iowa), which is directed in large part toward improving the emergency provisions of the law: assuring a minimum level of assistance, some continuity in aid programs, and some recourse to a multilaterally determined criterion of emergency. The legislation would commit the United States to the principle of providing specified amounts of food as aid to those countries which are determined on the basis of international consultation to be in extreme need.

These reforms, which have been considered in various versions since 1974, could form the basis for U.S. participation in a new and authentically international aid scheme. They could provide a transition to a system whereby rich nations share in the relatively small costs of emergency aid (the amount of grain that Bangladesh lacked in the autumn of 1974 was equivalent, for example, to around one-twentieth of the grain that Japan imports each year); and eventually to a multilateral system.

The second sort of reform, the effort to stabilize prices in a food reserve scheme, involves enormously more domestic political conflict

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for the United States. The United States has been engaged since the World Food Conference in negotiations about an international system of nationally held grain reserves. The discussions raise difficult questions: Who should participate in the system and under what conditions? How should the costs of the scheme be shared? How is it to be established that the United States will not again bear a disproportionate share of the costs of carrying reserves, particularly to the benefit of such large grain-importing countries as Japan and the Soviet Union? Yet the major question has to do with price changes. The United States favors a proposal, unacceptable to the European Community, which provides for a reserve system to be defined in terms of physical quantities with no reference to changes in price, and is apparently not prepared to discuss in an international forum the question of limiting fluctuations in grain prices.

A change in the U.S. policy as to agricultural prices is likely to be the necessary condition for success in international efforts to set up a new system of grain reserves. It is also important to America's national reserve policies. There is little doubt that the U.S. government will again hold publicly financed grain reserves. Without the large Soviet purchases in 1975, this would probably already be the case. There is now increasing support—from several farm organizations and grain corporations, for example—for government intervention to hold reserves. And of course even the existence of publicly owned reserves would have a stabilizing effect on prices. But it is important, all the same, that the conditions under which the reserves are held be considered openly. Secretary Kissinger has spoken often, in the last few months, of U.S. participation in a "global approach to food security;" he has decried the consequences of "gyrating prices," and of "fluctuations . . . [in] the international food market." Yet the policy of the U.S. government toward changes in farm prices is not often in Secretary Kissinger's domain.

There must, finally, be more open and public consideration of the international consequences of U.S. agricultural policies. The effect of these policies has been so momentous for U.S. political relations with developing countries that such discussion seems critical. It is my own view that this reconsideration should encourage the United States to restore government intervention in agriculture: a return to some aspects of the agricultural planning of the 1930s, 1950s and 1960s. But at the least, the political implications of the choice between planning and free enterprise should be examined openly. In the next one or two years, the U.S. government will make decisions of lasting importance about prices and reserves, and also about the

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future orientation of agricultural production: for example, as to whether, if crops are lavish, the U.S. government will again use export subsidies or even its foreign aid program to nurture new export markets in developing countries. Policies so paramount should no longer be made under the obscure, unthinking and introspective conditions of 1972 to 1975.

Considerations of this sort are not peculiar to food and agriculture. They have to do with the connections between planning, domestic economic policy and international relationships. Yet they are of particular moment in the case of agricultural policy. In 1976, there is an extraordinary opportunity to foresee and prevent future crises and, therefore, future disaster.

There is a curious precedent for this endeavor in the early history of America's international food policy. In November 1918, when Herbert Hoover left New York for Europe, he addressed the employees of the wartime U.S. Food Administration about the future of agriculture. Hoover, as a distinguished and liberal engineer, had directed U.S. relief operations in Europe, and was the head of the Food Administration. In his speech he was concerned not so much with the international food situation as with America's own agricultural policy insofar as it affected the world situation. He spoke of the "honest and fair treatment of the farmer," and of the "abolition of speculation": it was in these domestic changes that Hoover saw a "triumph" of U.S. policy after the War. Hoover's efforts in the First World War marked the beginning of the modern involvement of American agriculture in the world. The food crisis of the 1970s signified a crisis in that involvement. There is an opportunity, in 1976, to return to Herbert Hoover's hope for an international food policy based on domestic reform: but in the interest, now, of transition from the old American agricultural order.

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THE AID PROGRAMS OF THE OPEC COUNTRIES

*By Maurice J. Williams**

DURING the past two years the oil-producing countries of OPEC have become important donors of economic assistance to non-oil Third World countries. There has been widespread interest in these aid efforts, with one major British newspaper stating that "never before have nations been so generous with their wealth as the OPEC countries are now showing themselves to be." Others applaud what they regard as the "Robin Hood role" of the OPEC countries in taking from the rich and providing for the poor.

OPEC spokesmen themselves have stated that they are "the world's largest donors of financial assistance to developing countries and contribute the majority of funds for the World Bank and IMF borrowings." Repeatedly claims are heard that OPEC aid levels more than compensate developing countries for the increased price of oil. And it has been announced in councils of developing countries that OPEC aid will far exceed the aid flows of the traditional donor countries, whose aid programs it is alleged are rapidly declining in significance. Hence, many appear to believe that OPEC countries can and will provide the means for non-oil developing countries to realize their aspirations for economic development.

On the other hand, claims of large transfers of wealth and generous assistance from OPEC countries seem to some observers to be grossly exaggerated. It is claimed that aid from the oil exporters has been inadequate, well short of the billions of dollars that the oil price increases have cost the non-oil developing countries. Further, it is alleged that OPEC aid has been slow to materialize, and that the bulk of OPEC assistance is going to fraternally associated countries. In the years ahead it is thought that aid is likely to decline as the oil exporters rapidly adjust to spending their revenues at home.

On one point there is general agreement, namely that the dramatic oil price increases of late 1973 created severe balance-of-payments and economic growth problems for most less-developed countries. Not only must they pay higher prices for the energy they need to fuel their development programs, but they must do so at a time when the eco-

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nomic downturn in the industrial countries—itself at least partly the result of abruptly higher oil prices—is cutting sharply into developing countries' export earnings and leaving them less well equipped than ever to bear the burden of their essential development needs. However one assesses the responsibility for inflated prices and recession, the overriding conclusion is that it is the poorest countries, those least able to bear additional burdens, who are most seriously affected.

Information concerning OPEC aid programs, and their effectiveness in helping less-developed countries, has been shrouded in the claims and counterclaims of the propaganda battle to influence and win the political support of non-oil developing countries. Since most OPEC governments publish only fragmentary information on their aid activities, there has been scope for such competing interpretations.

Nonetheless, by pulling together published reports, statements of officials of oil-exporting countries and accounts of developing countries as to their receipts of OPEC aid, it is possible to form a reasonably accurate view. What then are the facts about OPEC aid? How important has it been in helping non-oil developing countries to meet their increased oil bills? What role does aid play in the policies of OPEC governments, and what contribution are they likely to make to the development of the non-oil Third World?

II

Before 1974 only Saudi Arabia, Kuwait and Libya were major OPEC providers of economic assistance, and over four-fifths of their aid was in the form of budgetary grants in support of other Arab countries involved in the conflict with Israel. Following the 1967 war, the Heads of the Arab States, meeting in Khartoum that August, agreed on annual transfer payments from the oil-exporting Arab states to help with the cost of the war and the defense burden of the "front line" states of Egypt, Syria and Jordan. These transfer payments have since become standing obligations in the budgets of the contributing states, and during the period 1970–73 averaged about $400 million annually—not including additional economic assistance to front line states for the purchase of arms.

The Arab states have not published information on these transfers, in part because they regard them as directly related to foreign policy and military objectives. In the burden-sharing among Arab countries, it is not considered fitting for the oil-rich states to speak of their contributions of money for a common cause, when more direct sacrifices, "blood" contributions, have been made by others. Hence, Arab leaders speak of economic aid to other Arab countries in their common cause

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as "silent aid," about which one does not boast or take public credit.

Since the massive increase in oil revenues as a result of the quadrupling of oil prices in late 1973, some observers and journalists have confused these supporting assistance grants among Arab states, dating back to 1967, with aid efforts to help the non-oil developing countries adversely affected by the inflation of prices for their essential imports. Thus, there has been a tendency to credit OPEC countries with greater responsiveness to the immediate needs of less-developed countries as a whole than they have been prepared to claim for themselves. The fact is that most Arab leaders do not regard supporting assistance grants to front line Arab states as compensating for recent balance-of-payments needs of non-oil countries or as providing assistance for development. In this they actually take a more logical view of what constitutes assistance for development than the United States has done in recent years, when it claimed as part of its development assistance programs the budgetary grant assistance to support war-mobilized economies in Southeast Asia.

Aside from such "silent aid," the development assistance efforts of the OPEC countries before 1974 were relatively small, averaging about $80 million annually during 1970–73. Saudi Arabia, Kuwait and Libya again were the largest donors, and Iraq, Qatar and the United Arab Emirates also contributed. This assistance was largely directed to Arab states—including those in the front line—in an expression of the fraternal commonwealth among Arab countries. For the small but wealthy Arab states, such programs not only contribute to pan-Arabic aspirations but serve to strengthen ties of friendship and security with larger and militarily stronger countries.

Kuwait, in particular, with its great wealth and population of only 500,000, deploys economic assistance skillfully as an important tool of foreign policy. In addition to supporting assistance grants to the front line Arab states, averaging about $200 million annually since 1970, Kuwait has built small but highly professional programs of technical and capital assistance. Beginning in 1961, the Kuwait Fund for Arab Economic Development has financed development projects which meet fairly rigid standards of economic return. In its first 12 years of operation, the Kuwait Fund committed over $450 million in 41 loans to 12 Arab countries, half of which was directed to Egypt, Sudan and Tunisia. Thus Kuwait's aid effort, along with its supporting assistance grants, has over many years averaged five to six percent of its gross national product. Kuwait has so far been unique among OPEC members in building a strong capability for the management of aid programs.

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The aid transactions of other OPEC countries before 1974 were mainly transfers of funds among Arab states, carried out largely in the traditional diplomatic manner for diverse political and economic ends. In addition, there was small and sporadic aid to some of the African countries south of the Sahara, in recognition of African support to Arab diplomatic interests. OPEC members did not contribute appreciably to international organizations, again with the exception of Kuwait, which cooperated with the World Bank and contributed to the International Development Association. Arab oil-exporting countries made token contributions to United Nations programs and appear to have received more aid from the United Nations than they gave. The only multinational fund which received general Arab support before 1974 was the Arab Fund for Social and Economic Development, with authorized capital of $340 million. By April 1974, it had approved six loans totaling $94 million.

Today, the Arab members of OPEC largely continue the selective approach adopted before 1974. Early in that year, the Arab attitude was summed up by Abdel-rahman Salem al-Atiki, Kuwaiti Minister of Finance:

> Nobody looked at the Arabs before. Why does everybody expect us to be the Godfather? This part of the world has been neglected for centuries and its wealth has been carried away by foreigners without giving it a hand for development. The major part of our international financial aid will be put at the service of Arab countries, and to assist other Moslem countries, particularly in Africa.

As we shall see in later summaries, the pattern of action since then, especially of actual disbursements, bears out this prediction.

III

That the fourfold increase in oil prices would severely damage the economic prospects of many developing countries was apparently not anticipated by OPEC. Since non-oil developing countries are relatively small users of oil, accounting for only about ten percent of annual world consumption, OPEC countries underestimated the importance of oil to them and tended to regard forecasts of the dire effect of oil price increases as part of the publicity campaign by industrial consumers against higher prices. Certainly industrial countries have put their concern for the less-developed countries in this respect well to the fore, in part to place responsibility on OPEC to help poorer countries with their higher oil prices.

Understandably, OPEC countries are sensitive to the view expressed in Secretary Kissinger's recent speech to the United Nations General Assembly, that increases in oil prices are responsible for hav-

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ing "shattered" the development plans of many countries. In response, OPEC officials argue that the quadrupling of oil prices in late 1973 added "only slightly" to an inflationary situation already under way, and that the oil price rises should not be seen in isolation, but in conjunction with other factors causing additional balance-of-payment burdens for developing countries including, in particular, price increases for manufactures, food and fertilizers.

There is no disputing that the nominal value of OPEC members' oil exports rose from $36 billion in 1973 to $113 billion in 1974, and that about $16–17 billion of the higher oil revenues of OPEC came from non-oil Third World countries. Their increased cost of oil was about $11–12 billion in each of the two years 1974 and 1975, over the level in 1973.

Since relatively little of the oil consumption of poorer countries is for nonessential uses, reduced supplies translate fairly directly into loss of production and incomes. Unable to pull in their belts, these countries must find some way to finance the increased costs. In view of their typically weak foreign exchange positions and already precarious means for financing their development programs, additional foreign borrowing and aid are their only recourse.

Yet OPEC members are justified in their claim that oil prices cannot be viewed in isolation. The deterioration in the current account balance of payments of developing countries has also been accelerated by the higher prices which they must pay for manufactures. For example, increases in the price of manufactured goods of about 40 percent during 1974–75, though small in relation to oil price increases, have created difficulties for those countries for whom manufactures account for a large proportion of imports. These countries, however, are almost all those that are virtually self-sufficient in oil or are net oil exporters, such as the OPEC members themselves.

As to food and fertilizer, shortages in 1973–74 and related price increases posed additional problems for non-oil developing countries, particularly for the poorer, food-deficit countries. Export prices for United States wheat doubled between 1972 and 1973 and rose by a further 35 percent in 1974; nitrogenous fertilizer cost more than twice as much in 1974 as two years earlier. Because of poor harvests in 1973 and again in 1974 in a number of developing countries, particularly in South Asia and Africa, requirements for food grain imports rose sharply over the level of $3 billion in 1972. Increased food import bills of $6–7 billion in the two-year period after 1972 reflected both extra volume and higher price claims on foreign exchange. While food aid grants helped meet some of the essential food needs of

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many countries—including Bangladesh, Tanzania, Ethiopia, and countries in the Sahelian zone of Africa—it has been a period of shortages and added suffering for many people among the low-income groups in less-developed countries. It was, of course, in relation to these special needs that the U.N. General Assembly, in April 1974, identified about 30 less-developed countries as "most seriously affected" and thus requiring emergency assistance to maintain essential imports.

The recent easing of prices for both food grains and fertilizer, with the improved outlook for crops in 1975 and larger annual food aid commitments, totaling about nine million tons, appears to have moderated this source of strain on the balance of payments of developing countries. However, most of the non-oil developing countries are not large importers of food grains. They are more concerned with the problems of financing their increased oil bills, which have not eased but, on the contrary, have increased an additional ten percent by the OPEC decision of September 1975. This further increase in the price of oil will add at least an additional $1.5 billion to the oil bills of non-oil Third World countries in 1976, for an estimated total increase of about $13 billion beyond the level of their payments for oil in 1973.

Today, the prospects for many non-oil developing countries are bleak. Development programs are not being sustained and momentum in growth is being lost as, for the first time in over a decade, the import volume of non-oil developing countries has declined and they have drawn heavily on both their borrowing capacity and foreign exchange reserves. Most of these countries do not have the flexibility and scope to adapt their economies to severe shortages of essential imports. They lack adaptable export sectors as well as the ability to continue borrowing, from international capital markets and institutions, the much greater amounts necessary to pay for oil and other imports. With prices for essential imports much higher and aid flows relatively constant, their options are to reduce their already low consumption standards or to curtail further the development programs which have been their main hope of future progress.

The World Bank has estimated that economic progress for many developing countries for the remainder of the decade will not be possible without substantially increased levels of aid. Whether measured by the overall $13 billion increase in oil costs, or the still larger figures if one includes the added cost of food, fertilizer and manufactured goods, the need for additional capital assistance is enormous. The deterioration in the current account deficit of non-oil developing countries was more than $20 billion in 1974. Recession in the OECD

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countries during 1975 has added a further $10 billion as the Third World's terms and volume of trade declined, and the current account deficit of the non-oil Third World appears likely to go from $11.3 billion in 1973 to about $42 billion in 1975. Recovery in the economies of the industrial countries will see a revival of trade markets in 1976, but structurally higher prices for oil, food and industrial imports will result in an increased average annual capital requirement of about $20 billion for the non-oil Third World for the remainder of the decade.

IV

The success of the oil-producing countries in achieving a uniquely sudden and large transfer of purchasing power through their own collective action made a profound impression on non-oil developing countries, particularly on countries which are major producers of primary commodities. Less-developed countries with cumulative problems of poverty, high unemployment, weak agricultural sectors and sluggish development programs—those which were in trouble before the major price increases—were in much greater trouble afterward and knew it. These were, for the most part, African and Asian countries. But, a number of middle-income developing countries, including primary commodity producers, were not immediately hurt by the sharp increases in oil prices. They continued to benefit from buoyant commodity prices until the commodity boom tailed out in the latter half of 1974, their foreign exchange reserves were strong, and higher oil payments were delayed as existing oil inventories were used. Also, countries such as Argentina, Colombia, Bolivia, Mexico and Peru are not dependent on imported oil.

Hence, many Third World countries saw OPEC as a role model which they would like to emulate. While some non-oil developing countries were quick to identify higher oil costs as one of their serious problems and to press for immediate economic relief from OPEC, others came to the defense of OPEC price policies. For the most part it was the middle-income countries who took a strong lead in building and holding Third World support for OPEC.

Despite this broad supporting role of non-oil developing countries, OPEC members appear to have consistently rejected proposals for special discounts on the price of oil for developing countries or any measure which would establish discriminatory pricing of oil. Nor have they been able to agree on a policy of "oil aid grants" for those most in need, comparable to the "food aid grants" which continue to play an important part in helping less-developed countries with their food grain imports.

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OPEC members have extended some credits to developing countries specifically for the purchase of oil, and they have supported the International Monetary Fund's Oil Facility to the extent of $3.2 billion. However, these subscriptions are not considered by the IMF to be a transfer of resources from OPEC since they remain, in effect, part of the foreign exchange reserves of OPEC subscribers—reserves on which they receive seven percent interest.[1]

The preferred approach of OPEC members to helping the non-oil Third World appears to be through the establishment of special funds or banks for the financing of development projects which are not necessarily identified with the increased cost of oil. While proposals for establishing an all-OPEC development fund have been spawned, one after another, OPEC members have not been able to agree among themselves on common funding. One of the early proposals was by the Shah of Iran for a $2–3 billion fund with the joint participation of oil-exporting and industrial countries, but this combined approach was too difficult to arrange. Subsequently, in April 1974, OPEC members are reported to have agreed that a special OPEC fund would come into being when seven of its thirteen members ratified the articles of agreement. Apparently this did not occur, for the plan appears to have been abandoned in late 1974.

Recently proposals for an OPEC development fund have been revived. Iran has proposed an assessment on each barrel of oil to establish a low-interest loan fund for specific projects in developing countries. Kuwait has urged general OPEC support for the Solidarity Fund endorsed in August 1975 by the Lima Conference of Non-aligned Countries, apparently for the purpose of defending commodity prices. President Carlos Andres Perez of Venezuela—in a letter to U.N. Secretary-General Waldheim of September 30, 1975—circulated a copy of a message to fellow Heads of State of OPEC proposing an OPEC fund of $1.5–2 billion to cover, without repayment, "the increased petroleum costs occasioned for the non-oil producing Third World countries by the price adjustment." President Perez further stated that "this decision will strengthen the morale of OPEC and demonstrate its true spirit of fellowship," and that "we will also be taking a determined stand against the dangerous pressures that have been brought to bear in an attempt to disrupt the unity of the Third World."

[1] Because of the high liquidity of IMF holdings generally, subscriptions to the Oil Facility are fully backed at all times. In contrast, the purchase of bonds from the World Bank, for example, while it creates an obligation equally firm, is not backed by liquid resources in the same degree. Hence, as will be seen at a later point, the purchase of bond obligations of the World Bank and other multinational banks is counted a transfer of resources.

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Following their meeting in Vienna in mid-November, the OPEC finance ministers have announced that $1 billion will be provided to Third World countries to help them with their development problems. Reportedly these funds are to be channeled through existing programs and institutions on favorable terms. However, as of late November it was not clear to what extent this $1 billion would be additional to ongoing OPEC programs and commitments, or whether any new coordination had been agreed.

Why has a common development aid policy, on behalf of its important relations with the non-oil Third World, been so difficult for OPEC to achieve? One problem is that OPEC has strong multiple leadership, with Saudi Arabia, Iran, Algeria, Venezuela, and others all playing important parts. Also, it is difficult to find a basis for sharing the burden of a common funding policy which satisfies their diverse political interests. Saudi Arabia, Kuwait, the United Arab Emirates and Qatar will run major surpluses on their current balance of payments well beyond 1980, and they have important political interests to pursue on behalf of the Arab world. Nigeria and Indonesia, with only seven percent of OPEC proven oil reserves and over 70 percent of its population, find that their oil will yield small returns relative to the large development needs of their countries. In between are Algeria, Iran, Iraq and Venezuela—with ambitious programs for development which appear likely to overtake their surplus oil earnings in the next few years—and Libya, a special case and inclined to be a loner.

What is clear is that the diverse interests of these countries find common expression—beyond the maintenance of high oil prices—mainly in general policies which assume that OPEC interests and the interests of the non-oil Third World coincide. For example, at the April 1974 Special Session of the U.N. General Assembly called by President Boumedienne of Algeria, OPEC countries joined in supporting the view that the current economic difficulties of non-oil developing countries arose not from the essentially retrogressive effect on poorer countries of recent major increases in the price of their essential oil imports, but rather from a faulty economic system which had persistently neglected their economic development needs, in general, and underpaid them for their commodity exports, including oil, in particular. Non-oil developing countries were asked to accept higher oil prices, as the vanguard of a new economic order which would seek to improve substantially the terms of trade for other raw material and commodity producers. It was a bold stroke in defense of higher oil prices, and in favor of producer associations on the

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model of OPEC. Thus, in the Charter of Economic Rights and Duties of States, adopted in December 1974 by the General Assembly, less-developed countries who are major producers of primary commodities continued to see OPEC as their role model.

Emphasis on control of commodity markets involves difficult issues to resolve from the standpoint of economic management and maximizing development resources. These issues are at the center of the forthcoming 27-member Paris and UNCTAD conferences, and negotiations on them appear likely to occupy the attention of governments over the next several years. One aspect of the problem is that 80 percent of the effective world supply of commodities—other than oil—comes from developed countries; moreover, many producers of commodities for which price increases might be sought have been realizing significant returns. While well-conceived commodity schemes will dampen the extreme price fluctuations which have characterized commodity markets, and are an important objective in themselves, non-oil developing countries are more likely to realize greater long-term benefits from compensatory financing schemes to offset deterioration in their terms of trade, whether from a fall in export earnings or from sharply increased import prices.

Meanwhile, as discussion of commodity markets goes forward in international conferences, the higher oil bills of non-oil Third World countries continue to fall due and a number of them seek more direct aid. Some, particularly in Black Africa, do not believe that they have been getting sufficiently "encouraging responses" from the oil-producing countries.

V

Let us now examine in more detail the actual programs of the OPEC countries since early 1974 in providing economic assistance to non-oil Third World countries. With the exception of Gabon, Ecuador and Indonesia, all OPEC members have provided some such assistance. The total flow of resources originating in OPEC and available for non-oil developing countries in 1974 was about $4.6 billion. (Not included is $1 billion which actually went to developing countries from the IMF Oil Facility in 1974 and a further $1.5 billion in 1975. Although derived from OPEC subscriptions, and of direct benefit to non-oil developing countries, the IMF does not regard this as a transfer of resources from OPEC as explained above.)

This $4.6 billion resource flow in 1974 was about equally divided between budgetary supporting assistance and concessionary credits on the one hand, and the purchase of bonds of multinational development

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banks at an average interest rate of eight percent, on the other.

Approximately $2.2 billion in grants and concessionary loans were disbursed as follows (in millions of dollars):

$1,200	Supporting assistance grants and loans to Egypt, Syria and Jordan
60	Supporting assistance grants to the Yemen Arab Republic and Sudan
45	Relief grants to African countries
300	Oil credits to India and Sudan (from Iran and Iraq)
190	Disbursements on supporting loans to Pakistan, Bangladesh and Sudan
70	Disbursements on loans to other countries
350	Contributions to international and regional funds

Capital transfers on non-concessional terms included purchases of almost $2 billion in World Bank bonds, as well as other subscriptions to the Asian Development Bank, the Inter-American Bank and the African Development Bank. These banks, in turn, channel these funds to developing countries, mostly for projects on which funds will be disbursed over a period of several years.

Beyond the actual $4.6 billion transfer of resources in 1974, a further $6.2 billion was committed to regional funds, development projects, and commercial investments. The total of actual transfers and future commitments was thus $10.8 billion during 1974, with the promise of further substantial transfers in 1975 and ensuing years.

As of November, OPEC aid commitments have continued in 1975 at a total level of about $10 billion for both concessional aid and other capital transfers. But the actual transfer of resources from OPEC to the Third World accelerated in 1975 and appears likely to reach a level of approximately $6 billion. However, the tempo of disbursements is slowing down and will level off or decline in 1976.

A few of the major OPEC commitments of 1974–75 have indeed been substantially disbursed. By March 1975 the Special Arab Fund for Africa had disbursed $126 million of the allocated $200 million, designed for special relief of increased oil costs. In 1975 the Arab oil producers have also transferred $80 million for special assistance to non-oil Arab countries, and $150 million directly to the Special Account of the United Nations Emergency Operation designed to help countries most seriously affected by increasing import costs. Taking into account bilateral aid flows from OPEC countries for this purpose, the total OPEC contribution to the Emergency Operation is reported to have been $1.7 billion for the period 1974–75—a figure which includes some of the amounts previously listed.

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Moreover, supporting assistance grants have continued to be rapidly disbursed, especially in Egypt, which continues to receive almost half of the total aid transfers of Arab donors. This is the result, of course, of Egypt's acute budgetary and balance-of-payments problems, as well as the political priority it continues to enjoy in Arab donor capitals.

However, a large part of the new commitments made in 1974 and 1975 have been slow to produce actual transfers. This is due to the growing preference of OPEC donors for project assistance and for plowing large commitments into the establishment of new development funds, all of which take time to implement.

For example, almost a billion dollars of undisbursed commitments during 1974 was allocated to the new regional development funds initiated by the Arab donors, which had not begun operations. These were the Islamic Development Bank, the Islamic Solidarity Fund, and the Arab Bank for Economic Development in Africa.

Understandably, little of the project commitments made in 1974 and early 1975 seems to have been disbursed. A striking example is the experienced Kuwait Fund which since March 1974 increased its paid-up capital from $385 million to $1.35 billion and extended its lending operations for the first time to non-Arab countries in Asia and Africa. Despite a rapid expansion of its commitments to new projects, the net transfer of resources from the Kuwait Fund have been almost nil, since repayments on old loans are almost as large as new disbursements, which amounted to $20 million in 1974.

Saudi Arabia, as it expands its aid operation through the newly established Saudi Arabian Development Fund with capital of $2.8 billion, appears to be turning away from general supporting assistance, which characterized its program in 1974. Aid commitments in 1975 are increasingly for projects in industry, roads, telecommunications, housing, irrigation, agriculture and education. A similar emphasis on project assistance is being pursued by the United Arab Emirates and Qatar.

The Arab aid donors appear to regard development, and assistance for development, primarily in terms of projects which facilitate the transfer of management skills and technology, and contribute to structural change in the economies of developing countries, their own and others as well. In rejecting general supporting assistance for most of their aid recipients, Arab donors may be guided by their experience in this respect with the front line countries of Egypt, Syria and Jordan. Although the absorptive capacity for budget assistance generally is very high, in order to achieve meaningful and accelerated

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development it is frequently desirable to bypass traditional bureaucracies and encourage the more difficult task of developing productive investments.

While there is much to be said for this policy on a long-term basis, the short-term result is that resource transfers are not as responsive as they might be in helping with the severe deterioration in the balance of payments of the non-oil Third World. We have estimated above an increased requirement for capital assistance of about $20 billion annually, of which $13 billion is accounted for by higher oil prices. Although OPEC has contributed the bulk of the increased flow of long-term financing resources to developing countries in 1974–75, this increased OPEC flow is equivalent to only about 25 percent of the additional financing requirements of the non-oil Third World due to structurally higher prices. The OPEC effort is even less if allowance is made for the fact that much of OPEC aid is directed to Egypt and Syria, which are net exporters of oil. In these circumstances, it is reasonable to ask whether OPEC could more adequately assist the non-oil Third World with their higher oil prices, and whether a larger proportion of OPEC's surpluses could be recycled to help the Third World overcome its severe balance-of-payments problems.

The following Table I gives the figures for 1974 in terms of commitments and disbursements of the various forms of concessional aid and direct financial transfers.

TABLE I

TRANSFER OF RESOURCES FROM OPEC MEMBERS TO THE THIRD WORLD IN 1974

(in millions of U.S. dollars)

	Concessional Aid		*Financial Transfers*		*Total*
Country	*Commitments*	*Disbursements*	*Commitments*	*Disbursements*	*Disbursements*
Algeria	117	35	22	5	40
Iran	1,270	400	990	309	709
Iraq	415	235	275	–	235
Kuwait	796	384	525	246	630
Libya	377	95	482	32	127
Nigeria	12	11	240	240	251
Qatar	148	50	156	27	77
Saudi Arabia	1,456	810	1,534	993	1,803
UAE	573	135	499	134	269
Venezuela	111	60	865	405	465
TOTAL	5,275	2,215	5,588	2,391	4,606

SOURCE: OECD, *1975 Review of Development Cooperation*, Report by the Chairman of the Development Assistance Committee, November 1975.

An outstanding example of an OPEC country which reacted swiftly

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and to political advantage has been Iran, which made loan commitments of about $1.5 billion during 1974, and despite reduced oil earnings appears likely to approach the same level of commitment in 1975. The terms of Iranian assistance are relatively hard, disbursements are carefully phased, and its aid is directed toward development of natural resources and manufacturing projects, which complement Iran's own development program. At the same time, it has been politically flexible in providing major balance-of-payments assistance, when it is politically advantageous to do so, including, for example, large credits to Pakistan and Egypt.

Algeria, Venezuela and Iraq are countries whose aid programs in several years are likely to be limited by the vast competing capital claims from their own large domestic programs. Algeria has concentrated on regional programs in favor of African countries. While the terms of Venezuela's almost $1 billion of commitments to developing countries are hard, it has been flexibly responsive to the needs of some of its economically distressed Latin American neighbors for special arrangements in financing the purchase of oil. Iraq also has been responsive to the need for oil credits and general assistance in helping to ease the politically distressing reactions of some less-developed countries to higher oil bills.

As might be expected from the foregoing discussion, direct OPEC assistance is characterized by a marked geographic concentration. Almost two-thirds of the direct concessionary aid disbursements of the past two years has gone to Egypt and Syria, both of which, as mentioned above, are net exporters of oil. Another 25 percent went to Muslim states, leaving less than ten percent for non-Muslim countries. Hence, Black African countries, both Muslim and non-Muslim, have not found that OPEC aid addressed their structural problems of underdevelopment as they had hoped it would, although the level of OPEC commitments to Black Africa went from about $85 million in 1974 to $200 million in 1975.

Skewed geographic distribution of aid in part has been the result of increasing donor concentration. Saudi Arabia and Kuwait committed almost two-thirds of OPEC aid in 1975, compared with about half in 1974. The new assistance of other OPEC members has fallen off, with Iran, Libya, Qatar and Venezuela reducing their aid in 1975 by about half of what it was in 1974.

While there appears to be increasing interest in the direct investment of OPEC surplus capital in non-oil developing countries, so far surprisingly few direct investments have been made. OPEC investors tend to look favorably on projects for oil refining, marketing and

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related facilities, such as Saudi Arabia's participation in a large crude oil terminal and storage facility in Korea and Iran's joint investment in a petrochemical plant in India to produce nitrogenous fertilizer. Kuwait has been increasingly active in the investment field with an agreement for the investment of $1.3 billion in Egyptian enterprises, and active exploration of investment prospects in other areas. However, most of the surplus capital of OPEC members has been invested in the money markets and securities of the industrial countries.

VI

It is well to keep in mind that the surplus capital position of the OPEC countries is only two years old, that many of the OPEC institutions being used for channeling their financial assistance are still "fragile and new," and that some of the major donor members of OPEC were still aid recipient countries as late as 1973. After allowing for all this, the fact remains that OPEC contributions to closing the balance-of-payments gap of the non-oil less-developed countries—a gap to which the oil price increase contributed significantly—have not been as large or significant as some claims cited at the beginning of this article would suggest. Resource transfers of about $5 billion in 1974, and $6 billion in 1975, are important, but, as pointed out above, they fall far short of the need. Additionally, the geographic concentration of OPEC capital assistance does little for many of the less-developed countries of the non-oil Third World, who are now on the "front line" of those who must receive additional help if they are to maintain their development programs. The need to broaden geographically and to accelerate the transfer of resources under OPEC programs is clear, and it is a need which, I believe, most OPEC governments recognize.

Interest is often expressed in a comparison of OPEC transfers of economic assistance to less-developed countries with those of the 17 members of the Development Assistance Committee (DAC) of the OECD. DAC member aid efforts, of course, are much larger—reflecting the greater overall wealth of the developed countries. In 1974 the total net flow of resources from DAC members was $26.7 billion. Of this, $11.3 billion was provided as "official development assistance," or concessionary aid. The comparable figure for OPEC members, as mentioned above, was a total net transfer of resources to the Third World in 1974 of $4.6 billion, of which $2.2 billion corresponds to the DAC definition of official development assistance.

However, in percentage terms, official development assistance in

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1974 was equivalent to 0.33 percent of the Gross National Product (GNP) of DAC countries and 1.8 percent of the GNP of the aid-giving members of OPEC. The comparative figures for the total flow of resources are 0.78 percent for DAC countries and 3.4 percent for OPEC aid donors. Hence, relative to their current GNP, the aid efforts of OPEC members are substantial, and it is on this basis that their programs are sometimes said to exceed those of DAC countries. The fact remains that OPEC members have a larger capability for providing aid, at least for several years, than these relative shares of GNP indicate.

The surplus revenues of oil-exporting countries derive from the higher prices of their oil, which many non-oil less-developed countries find themselves unable to pay without a transitional period of adjustment, and without assistance to make the adjustment. Since OPEC revenues constitute highly liquid assets, large amounts of which are being invested in world capital and security markets, OPEC members clearly have a high capacity to provide aid and capital investment to help non-oil less-developed countries make the necessary structural adjustments in their economies. Saudi Arabia and Kuwait recognized their unique capacity to provide aid when they initiated large supporting assistance grants to other non-oil Arab countries in 1967 under the Khartoum Agreement. Their share of aid relative to their GNP is not higher in 1974–75 than it was in the period before the major oil price increases.

The Arab OPEC countries will continue to have major surpluses in the coming decade and their total reserves will be accumulating for many years to come. The mobilization of savings which this represents provides a unique opportunity to direct more capital to the non-oil Third World. OPEC countries might consider means to help non-oil developing countries to cover in full, or in substantial part, their higher oil bills, at least for a transitional period of four or five years. To be most effective, the adoption of a common aid policy by OPEC countries toward the non-oil Third World should be part of a renewed and expanded global effort.

As for the DAC members, all 17 increased their disbursements of official development assistance during 1974 and 13 countries raised it as a share of GNP. Overall, DAC aid had been falling as a share of members' total GNP over the past decade, but in recognition of the greatly increased need for assistance in this period, a major effort is being made to reverse this trend.[2]

[2] This is detailed in the 1975 Report of the DAC Chairman, *Development Cooperation: Efforts and Policies of Members of the Development Assistance Committee,* published by the OECD.

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The needs for increased capital assistance are clear. Unless these needs can be met, less-developed countries will not be able to support their development programs, carry out the necessary structural adjustments in their economies and return to higher levels of domestic savings which will make possible adequate rates of social and economic progress. The overall level of aid must be expanded and a larger share addressed to less-developed countries with the more difficult problems of underdevelopment.

As we have seen, one problem affecting OPEC aid is that it is heavily skewed toward a few recipients. Although the aid of DAC donors has been affected by similar influences, their efforts to exchange information on the specific needs of developing countries and the patterns of their respective programs, through the DAC, has led to compensating adjustments and coordination of aids efforts. In contrast, OPEC donors have not yet had an opportunity to adopt common guidelines for their respective aid efforts, nor means for exchanging information on the geographic concentration of aid, nor criteria for relating their efforts to overall needs.

Finally, in the case of the DAC countries one means for alleviating the uneven distribution of bilateral aid has been common support of the International Development Association (IDA), the concessionary loan fund administered by the World Bank. Both OPEC and DAC countries, concerned with offsetting distortions in the geographic allocations of their aid, would do well to support fully the enlarged replenishment of IDA. This institution has an outstanding potential for giving greater coherence and balance to global aid efforts, and helping to assure that the major economic events of the last two years do not halt or irreparably damage the development programs of the non-oil Third World.

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EUROPE AND AFRICA: DECOLONIZATION OR DEPENDENCY?

By I. William Zartman

FIFTEEN years after most of Africa received its independence, Europe is still present and influential in the continent. The European presence has, however, shifted from overt and direct to more subtle forms. While military occupation and sovereign control over African territories have all but been eliminated, political influence, economic preponderance, and cultural conditioning remain. Britain and France, and with them the rest of the European Community, maintain a relatively high level of aid and investment, trade dominance, and a sizable flow of teachers, businessmen, statesmen, tourists and technical assistants. Perhaps most symbolically significant of all, the long-nurtured dream of an institutionalized Eur-African community was finally inaugurated on February 28, 1975, when the convention of trade and cooperation was signed at Lomé between the European Nine and the then-37 independent Black African states (plus nine islands and enclaves in the Caribbean and the Pacific).

Thus, Eur-African relations are a matter of continuity and change, but judgments of them vary considerably, according to the importance given to one or the other of these two elements. To some, the successor of colonialism is neocolonialism and dependency; for others, what is taking place is gradual disengagement, and the multilateralization of ties to the developed nations. The first look askance at the continuing presence, comparing it with an ideal of total mastery of one's destiny; to them the change seems trivial, or worse, insidious. The second emphasize actual changes, the moves toward independence, and see them as part of a continuing process. The best perspective obviously is the one that can encompass and provide an explanation for the largest number of facts.

The *dependency* approach is now widely used in analyzing Third World developmental problems. According to this school of thought the attainment of political sovereignty masks the reality of continued dependence on world economic structures, and calculations of power and interest within this dependency relationship explain underdevelopment. Impatient with the slow progress of African states toward development and the real difficulty for new nations in narrowing the gap that separates them from the industrial states, dependency analysts locate the source of the new nations' developmental problems

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not in these nations' own incapacities but in the constraints of international politics and economics. Basically, the metropolitan countries block African development by co-opting African leaders into an international social structure that serves the world capitalist economy. By training and conditioning the upper layer of African society into Western habits of consumption, reading, vacation, style, and other European values, the dominant politico-economic system removes the need for direct intervention and indirect colonial rule; the more the new elites "develop," the more their expectations rise, the more they become programmed to look North, to think Western, and to alienate themselves from their national society, which is locked into its underdevelopment. Since mass development is such a monumental task in the best of conditions, and since it is even more difficult against the wishes and interests of the dominant capitalists, these alienated, Westernized elites are motivated to repress the spread of development in their society and thus to maintain themselves in power as a political class. The end result is that national development is impossible: European predominance is maintained by the co-opted elites, a neocolonial pact as firm as its colonial predecessor was in its time.

According to the *decolonization* theory, on the other hand, Euro-African (and other North-South) relationships are caught up in an evolutionary process, as various forms of bilateral, metropolitan influence are replaced with multilateral relations. In the process, political independence is only the first step, and the "last" step of complete independence is probably never attainable in an increasingly interdependent world. In this view, each layer of colonial influence is supported by the others, and as each is removed, it uncovers and exposes the next underlying one, rendering it vulnerable, untenable, and unnecessary. Thus, there is a natural progression to the removal of colonial influence: its speed can be varied by policy and effort, but the direction and evolution are inherent in the process and become extremely difficult to reverse. The specific order of the layers of influence to be peeled off may vary from country to country, depending on local conditions, but the most common is political (sovereignty), military, foreign population, economic and cultural. In this pattern, the transfer of sovereignty removes the need and justification for the stationing of metropolitan military forces; the elimination of military bases removes the security for metropolitan settler and technical populations; the reduction of the foreign population reduces the possibility of effective economic control; and the diversification of economic relations brings in new cultural influences. Thus, decolo-

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nialization has its own logic, wherein each step creates pressures for the next and reduces the possibility of counteraction by retreating postcolonial forces.

This is not to say that colonial withdrawal is immediate, however, or that the former colonial powers are powerless in their retreat. As decolonization moves forward, it moves onto less certain ground, where the rights of the new nation are less clearly related to the simple equality of sovereignty and where its ability to replace former metropolitan sources is less sure. It must therefore pave its way with newly established prerogatives. It must also build up its own capabilities, for a state cannot thrive on rights alone; as decolonization proceeds, the new state may eliminate elements that are actually useful to it in the short run in order to get rid of debilitating habits of reliance. For the progression to operate most efficiently, decolonizing states use the remaining elements of European presence to create the capabilities needed to replace that very presence, just as colonial rule was used by new nationalist elites to provide the training and resources that would enable them to remove it. The pace of that replacement depends on individual capabilities. Some types of European presence and influence may take longer to remove than others: evacuation of foreign troops is more rapidly attainable after independence than is the elimination of foreign technical assistants, and the takeover of foreign business is easier to achieve than the eradication of foreign culture. But deceleration in decolonization should not be confused with a frozen dependence. The pressure of other decolonizing states, as well as the logic of the process itself, works to keep up the momentum.

II

The two schools of thought are not, of course, without points of contact. The decolonization approach draws on dependency theory in analyzing how certain postcolonial relationships actually operate at present. But in interpreting the current interplay between Africa and Europe, dependency theory would seem to leave out too much, and to minimize rather important events.

To evaluate these perspectives one must examine the evolution of present conditions out of the past—before moving on toward the future. The development of economic relations is of central importance. It has been marked by a series of four major agreements on Africa made by the European Economic Community (EEC) at six-year intervals since 1957. The first, Part IV of the Treaty of Rome which instituted the EEC itself, was a reflection of then-existing colonial

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relations. By this instrument, African (and other) colonies of European states were joined in a free trade area with the entire six-state European region, so that African and European products found unimpeded access to each other's market. At the same time, European states without colonies of their own were involved in sharing a small part of France's (and Belgium's and Italy's) colonial burden by subscribing to a European Overseas Development Fund (FEDOM) providing $581 million in aid per year for the African colonies, although projects financed by this aid tended to be awarded to metropolitan contractors in the colonies.

Part IV of the Treaty of Rome was designed to share among the European Six, at least to some small extent, the burdens and benefits of the colonial pact, and to provide some limited benefits for the African colonies. Rather than an act of decolonization, it was a means of protecting colonial markets and assuring supplies of primary products for the Six instead of for the metropole alone, and of opening the colonies to greater trade and investment (with increased quantity presumably reinforced by higher quality born of somewhat increased competition). Economically, even if not politically or culturally, the arrangement began in a small way to dilute bilateral colonial ties through multilateralization.

Before the Treaty of Rome was three years old, all the French and Italian territories plus the Belgian Congo were granted independence. They felt it improper to remain subject to the provisions of an instrument negotiated by the metropole on their behalf, but they also felt that there were benefits to be gained by continuing what the Rome Treaty delicately called "special relationships." The European states shared these beliefs, but from two different perspectives. The French, Belgians, and to some extent the Italians, who all had interests in former colonies to protect, felt that these special relationships should be maintained; young, fragile economies should not be thrown immediately into open competition in the world market. The Germans and Dutch, on the other hand, felt that such special relationships should be phased out; not only should special economic ties with the extended metropole be terminated as rapidly as possible, but equal status should be accorded to other—hence competitive—African states with which the two countries, coincidentally, had much greater trade than with the Africans covered by the Treaty of Rome.

The next phase was a compromise, which maintained the special relationship but at a lower level of exclusive privilege than before. The first Yaoundé Convention, signed on July 20, 1963, converted

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the unilateral provisions of the Rome Treaty into a negotiated Association between the European Community and 18 individual African states, but a Declaration of Intentions, put forward by the Netherlands as an explicit quid pro quo for its signature, declared the Association or any other form of economic tie admissible under GATT (the General Agreement on Tariffs and Trade) to be open to any competing African state. At $730 million, the new European Development Fund (FED I) was 25 percent larger than the FEDOM, but it was almost 25 percent smaller than the combined total of the FEDOM and the now-abolished French price supports, and 60 percent smaller than the African original demand of $1.77 billion. Joint institutions notwithstanding, administration and execution of the FED was still largely in the hands of Europeans. Reciprocal preferences were granted by the two sets of partners but the Africans' demand for some sort of stabilization mechanism for tropical products' markets was denied; meanwhile, the emphasis of the aid was shifted from infrastructure to production and diversification.

The years during which Yaoundé I was being negotiated were crucial to Africa. The continent was absorbed in redefining its post-colonial relations with its former metropole and also in establishing new relations among its component members. The two were related. On the African level, the debate was between those who sought a rigorous definition of Africanity including codes of foreign policy conduct and a tight Pan-African institutional framework, and those who advocated a good deal of ideological and institutional freedom for individual states. On the international level, the debate was between those who sought rapid diversification of relations (and to whom the Yaoundé Association was anathema) and those who wanted to continue to enjoy, within the greatest autonomy possible, the benefits of some special relationship with the former metropole. The Pan-African and laissez-faire points of view came together in 1963, in the formation of the Organization of African Unity (OAU), which provided an institution and a code of principles but left interpretation and implementation to the member-states. Along with this settlement, the same year, came the first steps to join together those favoring distant and close relationships with Europe.

The Commonwealth states were generally of an independent frame of mind. They rejected inclusion in the enlarged European Community that Britain was negotiating with the EEC, but when Yaoundé I was signed three months after the French veto of the British application, they found the provisions of the new Association less

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offensively binding than they had feared.[1] Negotiations with the East African Community did not, however, result in an effective agreement until 1968, when an accord limited to the question of reciprocal trade preferences was signed at Arusha.

In the following year the third round in the series of agreements was also signed at Yaoundé. This still included only the 18 Associates, although it was accompanied shortly thereafter by a second Arusha Convention with the three East African countries. There was little basic difference between Yaoundé I and II. The same signatories were involved, tied together in 18 overlapping free trade zones all with the same European Community. The second FED, of $900 million, was again over 25 percent larger than its predecessor, and there was an additional loan supplement. The one new element, an emergency reserve fund up to $80 million to cushion against a drop in world prices for tropical products or a natural calamity, was conceptually new but practically only a replacement for Yaoundé I aid to production. In everything including its name, Yaoundé II provided continuity until there could be agreement on innovation.

The solutions in the Accords reflected the transitional and contradictory nature of the pressures that produced them. On the level of preferences, the special treatment extended to the privileged Eighteen was not producing notable trade expansion, nor was it any protection against the caprices of the market for tropical products. Despite guaranteed access to the European market, the Associates had failed to expand their penetration of it. However, these same preferences were gradually being diluted by their partial extension to competing sources of tropical products, both within Africa and in the developing world in general.

On the level of protection, Europe was gradually building self-sufficiency through a number of measures, notably its common external tariff (CET) wall and behind that, its Common Agricultural Policy (CAP). However, African states were also trying to build up their currency earnings through exports, often of the very industrial and agricultural products protected by European policies, while also trying to develop their own efforts at self-sufficiency in

[1] They did feel, however, that any arrangement negotiated under the 1963 Declaration of Intentions should not bind them to any reciprocity in preferences, since their own colonial arrangements in the Commonwealth Preference System gave them preferences on the metropolitan market without obligating them to grant reverse preferences for metropolitan goods. In September 1963, both Nigeria and the East African Community requested negotiations. Some prodigiously clever provisions were concocted to provide an agreement that contained reverse preferences without appearing to do so, but the Lagos Accord, signed on July 16, 1966 with Nigeria, never went into effect and finally died in the Biafran War. Talks with the three East African countries also broke down in mid-1965 over the reciprocity issue.

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competition with the European products which they were supposed to admit duty-free (although all the agreements contained a safeguard clause permitting African tariffs for industrial and development purposes). On the level of international relations, the Africans (by their own choice) were still involved in individual trade zones between each African country and the European community, and although they negotiated jointly with the EEC, decision-making was in the hands of the Six, with only slight possibilities for adjustment left to the Eighteen. All these contradictions were part of the transition from purely colonial toward totally independent status.

A number of events gave concrete expression to these contradictions and also offered means of resolving them. In 1969, the same year as Yaoundé II, negotiations began for the enlargement of the European Community, and hence for the inclusion of Commonwealth and sterling-area states of Africa in some arrangement comparable to the Yaoundé Convention. After the British negotiations were successfully completed in January 1972, the Yaoundé Associates (now Nineteen with the accession of Mauritius) decided to join Commonwealth Africa in negotiating a Pan-African successor to the Convention. A year later, in May 1973, African trade ministers met in Abidjan to agree to the notion of bloc-to-bloc negotiations and to draw up a charter of eight principles to guide them, which African foreign ministers ratified in the OAU.

In addition to measures favoring inter-African cooperation, the Africans demanded the elimination of reverse preferences and of special personnel status for Europeans—and hence of reciprocity pure and simple. They also called for total unrestricted access to European markets for all including agricultural (i.e., CAP) products, the creation of effective stabilization mechanisms for fluctuating prices, the enhancement of African monetary independence, and the creation of an $8-billion development fund independent of any formal Association. These were not simply escalated demands, inflated versions of Yaoundé provisions. Each was a derogation of a Yaoundé principle that was part of the European position. But the metropolitan Nine also put forth their own resolution of the contradictions of Yaoundé: that Europe was no longer responsible for the state of the African economies when a matter of its own Community development conflicted with their interests.

The Lomé Convention, which went into effect on June 24, 1975 and terminates on March 1, 1980, institutionalizes a single multilateral relationship looser than the Associates' previous status but closer than that of the previous non-Associates. It provides for 37 one-way free

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trade zones between individual African states and the Community (and 9 others between Caribbean and Pacific states and Europe), with duty- and quota-free access to Europe and only nondiscriminatory most-favored-nation treatment for European goods entering Africa. The only exceptions to the free entry of African goods concern a small number of agricultural products—less than one percent of the signatories' exports to Europe—covered by the Common Agricultural Policy, which will get preferential although not duty-free entry, and sugar (accounting for about three percent of African, Pacific and Caribbean [ACP] exports to Europe) which is covered by specific import guarantees for an indefinite period. In addition to the sugar agreement, new and significant machinery for the stabilization of export earnings (STABEX), similar in many ways to the Common Market's own price stabilization machinery, covers 29 other basic tropical products, first-stage transformation products, and iron ore.

Including the $375-million STABEX fund, the aid package comes to $3 billion plus an additional $390 million in loans from the European Investment Bank, the total more than thrice the size of FED II for only a little more than thrice the population of the Yaoundé Associates (values given in pre-devaluation dollars). There are also provisions for European assistance in preparing and promoting commercialization and industrialization within the African signatory states. The appellation "Associates" has been dropped; the 55 signatories are simply two groups of states seeking cooperation.

The African signatories can be divided into several categories. Nineteen were formerly Associates of the EEC; they include 15 former French colonies with a combined population of 52 million and GNP of $8,300 million and an average per capita GNP of $240; three former Belgian colonies with a population of 30 million and GNP of $2,200 million and an average per capita GNP of $80; and a former Italian colony with 3 million people and $210 million in GNP. Of the remaining states hitherto unassociated with the EEC, 12 are members of the Commonwealth with a combined population of 140 million and GNP of $17,700 and an average per capita GNP of $170, and six comprise the rest of independent Africa south of the Sahara at the time of signing, with 48 million people and a $4,710 million GNP. New African states may also join the treaty.

Internal developmental factors aside, these African states have clearly improved the terms of their relationship with Europe; over 15 years they have demanded and received more and more favorable provisions and the European signatories have received less and less in exchange. As in the case of the OAU, formal ties should not be

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confused with close ties. There can be a Eur-African convention in the postcolonial world precisely because it codifies such loose and imbalanced relations. The weaker of the two continents has the greater advantages—aid, preferences, supports, guarantees, protection—precisely because of its weakness and need. An all-African cooperation agreement with Europe lay at the crossroads of trends in European and African relations throughout the sixties and seventies. In outline, Britain's move to Europe started Commonwealth Africa moving toward the position of the non-Commonwealth Africans, where they met the Yaoundé Associates moving away from their past, close ties with the European Community members. A contractual relationship that was something less than Association was the result.

On the other side, Europe was no longer interested in separate African groups (since, in the worst interpretation, division no longer led to rule), so the Africans could no longer maintain separate status by themselves; put otherwise, Europe was no longer interested in granting privileges to a few when they could have better relations with the many. Finally, good relations were deemed necessary, in part because Europe still considers such relations a family affair, or looks at the former colonies as former students or apprentices now on their own, and in part because Europe is dependent on Africa for her supplies of copper, coffee, cocoa and uranium, among others.

III

In addition to their multilateral continent-to-continent ties, two other aspects of Eur-African relations need to be evaluated: the structure of bilateral relations between former metropole and former colony in Africa, and the nature of the African leadership.

Bilateral relationships are gradually being diluted by multilateralization. The change began with the granting of sovereignty, but there are no longer any illusions that formal political independence means the end of European presence and influence in Africa. The single exception is Guinea, set adrift from France by its own choice, which found a surrogate former-metropole first in the U.S.S.R. and then in the United States. The other newly independent states tended to retain unequal ties with their metropole in a number of activities: postcolonial community, monetary zone, business relations, defense agreements. In these, the practices of the two largest groups of former colonies—British and French—are often quite similar despite their traditional differences in form, the French preferring contractual relationships and the British being more informal.

The postcolonial communities have evolved to reflect the change

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in bilateral relations, rather than restraining that change. The French Community, established in 1958 as successor to the colonial French Union, was rejected by even the most Francophilic states of Africa at the time of their independence as a way of proving their autonomy, and has had no significance since 1960. Since then, the idea of Francophonia—a French language commonwealth—has been pursued actively by such leading African presidents as Habib Bourguiba of Tunisia, Leopold Sedar Senghor of Senegal, and Hamani Diori (now deposed) of Niger, but it too has continued to lose adherents. The Franco-African summit meeting of November 1973 in Paris was a formal and well-attended affair compared to the freewheeling series of overlapping visits which composed the next such event, at Bangui in March 1975. The French-speaking African and Malagasy Common Organization (OCAM) has lost six of its 16 members (including the Malagasy Republic itself) because they preferred to avoid too close an association with the metropole. A larger notion of Latin Africa, to include former Portuguese as well as French and Belgian colonies, was raised by French President Valéry Giscard d'Estaing while attending the Bangui summit. In the meantime, heads of French-speaking African states are frequent visitors in Paris. These various kinds of encounters, whether within an uninstitutionalized postcolonial community or on bilateral visits provide the occasion for an exchange of views, a continuity of contacts, a renewal of personal acquaintances, and for as much pressure on the French as on the Africans.

On the British side, the Commonwealth is an established and accepted institution that produces communiqués as well as contacts; over a third of its 33 members are African. It is hard to say here too that influence is predominantly metropolitan; on the contrary, the biennial meeting of the Commonwealth has weathered a biennial crisis by coming to terms with African demands and threats of withdrawal. In sum, the postcolonial communities are clubs, important above all for keeping contacts and channels open among leaders with a common language and cultural tradition. But as new leaders with more varied backgrounds appear—a point discussed in greater detail below—the club becomes important as the beginning, not the result, of an acquaintance and training process, and the level of effective influence declines further.

A second type of postcolonial tie is the monetary zone. While colonies, the African territories all used a variant of the metropolitan currency, often of limited convertibility and deflated value. In a short period of time, all former British, Belgian, Italian, and Spanish ter-

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ritories now independent have established their own monetary units, issuing banks, and independent reserve status. To this list are gradually being added a number of former French territories which have established monetary independence, with or without special agreements with the franc zone: Tunisia in 1958, Morocco in 1959, Guinea in 1960, Mali in 1962, Algeria in 1964, Mauritania and Madagascar in 1973. Twelve states of West and Central Africa remain in the franc zone, with pooled reserves and pegged currency, and three states of southern African are similarly tied to South Africa.

Such arrangements may appear anomalous in times of independence, but the ease with which Mauritania (with Algerian, Libyan, and Zaïrois support) and Madagascar withdrew, and the open pressures for reform of the franc zone led by Dahomey, indicate the directions of change. Even for those which remain, the other alternative is to transform the monetary agreements from instruments of centralized control into agreements on coordination and development (as in the Dakar Treaty of December 1973 revising the statutes of the Central Bank of the States of West Africa [BCEAO] and the West African Monetary Union [UMOA] in favor of greater African autonomy and equality).

A third type of tie to the metropole is through capital flows and their accompanying controls. Before independence, public and private investment in all African colonies was almost exclusively the domain of metropolitan capital. Even after a decade of independence this is still true in most cases—at the beginning of the 1970s, according to OECD (Organization of Economic Cooperation and Development) figures, 26 of 32 independent Black African countries received the largest amount of their official development assistance from their former metropole. At the end of the 1960s (the latest figures available in detail), all but one African state—Guinea—received the largest amount of their foreign direct investment from their former metropole. But of those 26 countries with a predominantly metropolitan source of foreign aid, all received more than a quarter of their total official and private bilateral receipts from other sources; all but two (plus Liberia) received more than a third; and all but 11 more than a half.

In the field of investment, the picture is slightly different. Toward the end of the 1960s more than three-quarters of the direct foreign investment in seven of the 12 Commonwealth countries of Black Africa was British-owned, over three-quarters of the foreign investment in ten of the 15 former French colonies was French-owned, and the same proportion of investment in all three former Belgian territories was

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Belgian-owned. By the early 1970s foreign investment in Africa had increased by about 40 percent (somewhat less than the general world increase and amounting to less than five percent of global foreign investment). Much of that absolute increase was composed of a near-doubling of investment in Nigeria to nearly a quarter of all investment in Africa following the end of the Biafran War. This investment, of which the largest share but not the majority is British-owned, is now greater than total foreign investment in all former-French Black Africa, despite a large investment in Gabon.

More significantly, GNP is growing faster than foreign investment, even including the two unusual cases of Nigeria and Gabon, and not even taking into account the changes in capital ownership brought about by nationalization in a number of countries in the most recent years. The proportion of foreign investment to the GNPs of various African countries declined from less than a quarter at the end of the 1960s to nearly a fifth half a decade later—from 17 percent to 15 percent in former British Africa; and from 30 percent to 25 percent (from 22 percent to 20 percent if Gabon is excluded) in former French Africa.

A final measure of foreign capital penetration can be made by estimating the productive value of foreign investments on an average turnover factor (generally estimated at 2.0). On the basis of this figure, the proportion of foreign investment averaged more than a third of GNP in the late 1960s in only 13 African states, and more than half in the case of only six. In the ensuing decade, as noted, the trend has been toward a decreasing share.

All too frequently, accurate statistics can be carefully quoted to show that the pocket is half full rather than half empty, and most of the above figures have been cited by authors emphasizing the unfair preponderance of foreign capital in Africa. In a snapshot at any particular moment, preponderance shows up somewhere, to be sure. But when the continental picture is shown, and its evolution examined in the short time—much less than a generation—after the monopoly domination of colonial rule, the trends of diversification and domestic production (two goals of EEC Association) appear both strong and rapid. Further citation and explication of statistics does not change the basic picture over time, nor do details of the more dramatic but unique cases such as Nigeria and Gabon.

IV

A similar picture of changing imbalance characterizes defense relations. The colonial system was a system of world order in which

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metropolitan powers policed colonial areas, substituting European interests and conflicts of interest—which supposedly were under better control—for African and other concerns and conflicts. There were no African bases in Europe and no African treaty rights to intervene to restore European security (although African troops were gratefully accepted in World War II on the Allied side). This imbalance was inherent in the colonial situation, and it continued in reduced form on a contractual or residual basis thereafter.

Today, although some foreign troops still remain on the African continent and treaty rights to intervene on request may still exist, the dominant fact is the foreign military evacuation of the continent. Africa today has fewer foreign troops on its soil than Europe or Asia. British troops have gone completely. French troops have been reduced to fewer than 3,000 at present, located in a few installations in Gabon, Ivory Coast, and Djibouti (France's remaining colony in Africa). All other Western armed forces have been removed. Compared with this record of evacuations, it is noteworthy that the only non-African troops to be added to the continent since 1960 are the Russians, who have stationed support personnel for regular naval or missile operations in Conakry (Guinea) and Berbera (Somalia).

A few "return engagements" also remain, in the form of mutual defense treaties, notably those signed with France. For all the publicity these agreements have received, however, they have been notably unreliable. The only instances when they have been invoked have been in support of the government of Léon Mba in Gabon against a coup in 1964, and in support of the government of Francois Tombalbaye in Chad against guerrillas in 1968–1971. Numerous other heads of state have fallen despite such treaties and in 1973–1974 most of their provisions were revised and new treaties negotiated. Again, as in other aspects of postcolonial ties, there are some differences between the French and the British records, particularly in regard to timetables, but the overwhelming characteristic of both is peaceful withdrawal.

In sum, like the content of continent-to-continent relations, the structure of bilateral relations between former colony and former metropole has changed rather rapidly but without major shocks or violence over a period of 15 years or less. Although cases of postcolonial community, monetary zone, business interests, and defense treaties still remain, with some characteristic imbalance in the relations between the two sides, both their numbers and the imbalance have been reduced in the intervening period. As these bilateral ties become looser the differences in policies among various groups of African

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states disappear and it becomes possible to present a united front and obtain maximum benefits in negotiating a loose agreement such as the Lomé Convention.

V

The other element of influence and change is a more subtle matter that concerns the nature of the African leadership itself. The independence generation is being replaced by a very different post-independence generation. Fundamental ingrained differences in their relations with the metropole are inevitable and now apparent.

Leaders of the independence generation were characterized by two traits: they were formed in the metropolitan culture as subjects of the metropole, and they devoted their lives to the goal of political independence from the metropole. They were conditioned to think both French and anti-French, English and anti-English, and so on. Their feelings were focused in a sort of love-hate relationship with the metropole. Furthermore, politically they tended to regard formal sovereignty as "the big problem," and thus have tended to look positively at the metropole for having granted independence, mingling feelings of gratitude and victoriousness. With independence, they achieved formal equality with their former colonial master. Admittedly, derogations of sovereignty and equality thereby become doubly irksome, and long years of practicing anticolonialism can well lead to an anticolonialist fixation once independence is granted. But these negative corollaries of the independence generation's positive feelings have been more frequently characteristic of opposition leaders in the independence generation than of officials of the new states.

Sixteen states of Black Africa today are governed by leaders of the independence generation (although four of these received independence after 1970—three of them by protracted guerrilla warfare—and are therefore in a somewhat different category). In 17 states (plus Ethiopia), however, the independence generation has been replaced by military rulers. They tend to be a decade and a half (nearly a generation) younger than their predecessors, with very different experience and thus with different attitudes formed by it. Their past careers have generally given rise to neither love nor hate toward the metropole. All of them went to military school in the metropole before independence, but late enough in the period of colonization so that they experienced no major obstacles to their advancement in the colonial army or the colonial preparation for the independence army. Thereafter they were regularly promoted in the independent military of their country. Their concerns can generally be characterized as

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"order" and "progress," and they tend to look at the role of the former metropole as having little effect on these concerns. If anything, they are much less metropolitanized than their predecessors and the number of them who have been strongly attached to policies of "authenticity," or return to local cultural traditions, is greater than the number who have improved their country's relations with the former metropole.

There are almost no representatives of the succeeding, truly post-independence, generation among the African heads of state as yet. But the opinions of this generation have been described in recent studies,[2] and are already clear through the actions of younger ministers such as Abdou Diouf of Senegal or Mohammed Diawara of the Ivory Coast. The cultural symbolism of authenticity is less important to them than the realities of incomplete economic and political independence. Mere sovereignty is not enough as a goal, and the continued presence of European technical advisers and businessmen in the former colonies is a situation to be corrected, just as colonial rule itself was the challenge to the independence generation.

With this younger generation, metropolitan influences are still present but less immediate. Although additional Black African states —beyond Kenya, Tanzania, Somalia and Burundi—will declare an African language to be the national media of communication, the European colonial language still remains, and with it ingrained ways of doing things—legal systems, accounting systems, literary classics, educational systems. Gradually these systems will become "nationalized," adapted to national needs, as English-speaking states have been doing individually and as eight French-speaking states began to do in concert in May 1972. But it is still the inherited metropolitan way of doing things that is the starting point. Post-independence generation leaders are not accustomed to "thinking metropolitan" as were the independence generation; but the "deep structure" of their culture still has a metropolitan ingredient, just as Latin America still remains Latin (Spanish or Portuguese) and North America still carries traces of England. In a word, the post-independence generation may still think in French or English but it is thinking African. Like the Sabras of Israel or Andrew Jackson's generation of America, its attitudes toward the preceding generation's problems are basically different from theirs.

VI

While European presence as a base for influence in Africa is being

[2] Cf., for example, Victor LeVine, *Political Leadership in Africa,* Stanford: Stanford University Press, 1967.

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diminished and diluted, Africa is moving at a steady pace, without abrupt shocks, to gain complete control of its own affairs and to improve the terms of its relations with European states. Capitalizing on its increased independence, Africa is able to exact a higher and higher price for a lessened European presence. Thus it can be seen that the dependency approach at best describes a static moment, while the decolonization theory accounts for changing relations by showing the origins and ingredients of the present state of affairs. The strength of the decolonization theory lies in the fact that it draws its explanation of changing relations from the successive stages that make up that change, and that it is consistent with both the general trends and the majority of details in the evolution of recent African history. As foreign bases have been evacuated, foreign firms nationalized, foreign investments broadened, foreign landholdings taken over, foreign educational programs revised, foreign trade preferences rescinded and terms of trade reevaluated, and foreign currency separated from the national treasury, the striking characteristic is the relative speed and ease with which such policies have been effected.

Current views on international relations hold all of these actions to be legitimate, and retaliation illegitimate, and African states have been members of various international forums that have changed views on the thinkable and unthinkable in the postwar period. When particularly stringent measures—such as nationalizations—are undertaken, as in the case of Zaïre or Algeria, the metropole may react by demanding a major revision of the accords which define the relation between the two countries. But such reactions are never attempts to restore a status quo ante but rather accommodations in the direction of the decolonization act that triggered the reaction.

African states have shown themselves quite capable of shedding another layer of European presence or influence when they are ready, just as African polities—*le pays réel,* as they were referred to—were eminently able to seize the highest value of politics, self-governance, and to change some of the major norms of international politics along the way. To pretend the contrary is to doubt the capabilities of Africans against all evidence—dependency theory is not the first supposedly liberal view to be built on a particular notion of others' good and others' abilities. Hence the pace of actual decolonization depends on the availability of personnel and material resources to replace current European inputs into African polities and economies.

Felt needs often outrun capabilities, and usually act as a goad on policy-makers both to develop those capabilities and to act on the basis of them. Most states feel a need to have their own armies,

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investments, experts and schoolbooks, even though they may not be immediately of the quality or quantity of those that could be imported. In the perspective of decolonization, it is important to the stability and peaceful evolution of a polity to keep the process moving, lest frustration and anger build up at the blockage to the natural flow of events. Dependency theory seeks to accentuate this anger, identify a target for blame, and make the blockage appear to be that target even where it is not. Of course dependency theory has a role to play within the process, as a means of keeping up pressure and sensitizing participants. But it must not be confused with analysis, any more than a confrontation can be analyzed from the point of view of one of the parties in a dialectic.

Two other problems are apparent in the dependency approach. One is that the theory is static. It mistakes the unfolding of a logical argument for the comprehension of successive, changing events. It deals with fixed relations, not with ongoing process, and so it confuses today's events with tomorrow's possibilities. By arguing that things really have not changed since colonial times, it both denies past change and ignores the possibility of future change, in a world whose generally recognized nature is change par excellence. It is easy to see the source of this static quality, for dependency is a mirror-image idea: it responds to the equally static racist caricature of the colonialist perspective, which held that the African native was inherently incapable of civilization, by claiming that it is the Westerner who is inherently incapable of allowing development, since it is not in his "interest." Thus, dependency has a scapegoat function, comforting the slow developer by showing him that the fault is not his but rather that of the outside forces of evil, which, more insidiously than ever because of their very subtle mechanism, are keeping him down.

Second, the approach makes a number of crucial assumptions. It assumes that a common enculturation in a broad family of values gives rise to common interests and common decisions (e.g., that all Americans think and act alike). Moreover, it assumes that there is a broad family of values called, indistinguishably, "Western" and "modern," that is different and antithetical to another family, called "native" or "African" or "authentic" or "Third World," or simply true. It assumes that motivation is equivalent to unambiguous interest, that development is not in Western interest nor in the interest of African elites, and that repression is the only way of keeping power. It also assumes that bilateral postcolonial predominance correlates with underdevelopment, a relation that careful studies have shown to be the

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reverse of reality.[3] It is sufficient to state such assumptions to show their unreality, a quality that is usually well hidden under the necessary moralizing of the argument.

From an evolutionary point of view, therefore, the Lomé Convention is a welcome development. Neither a neocolonial consolidation nor an institutionalization of dependency, it is a natural step in the process of decolonization, that at the same time strengthens the capabilities of the developing African economies and polities while diluting their bilateral ties with the metropole. Measures that increase Africans' ability to peel off successive postcolonial layers and—the qualification is important—to replace them with multilateral ties and with domestic capabilities are sound and useful, even or especially when carried out by the former metropole. Precipitous withdrawal—as in the case of Guinea—leaves vacuums, provides shock without stimulus to domestic growth, and creates unnecessary antagonisms. Delayed withdrawal—as in interwar Egypt—drains energies needed elsewhere for domestic growth, prevents the creation of national groups and forces, and gives rise to frustrations that lead to debilitating instability. Instead, a regular succession of decolonization stages provides spaced occasions for renegotiating relations between new nation and former metropole, an important aspect in the redefinition of rules and roles required in a world searching for new orders.

VII

The United States has not been mentioned in the above review because it is not directly involved. But the evolution of Eur-African relations deserves the sympathetic concern of Americans. Two themes are dominant in the current debate on American foreign policy: a New Realism which warns America to be aware of the limits of its capabilities, and a New Morality which calls on the country to shoulder the greater responsibility for international welfare concerns rather than international security matters. The possibilities for contradiction between these two charges are as obvious as the wisdom in each of them; foreign policy-making consists of resolving such contradictions.

Africa has been so far from the center of the perceived priorities of recent American foreign policy that it would be utopian to call for a major reordering of goals. If America is unable to take on a major responsibility for developments in the continent, she can at least recognize and support the efforts of the European part of the Western

[3] Cf., for example, the forthcoming study by Patrick J. McGowan, *Economic Dependence and Economic Performance in Black Africa.*

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world in conjunction with the Africans themselves. Colonial rule has ended in Africa (with the small exceptions of a French and a Spanish enclave on the east and west coasts), and much of the writing on American policy toward Africa concentrates on the importance of a greater awareness of the needs and demands of the Africans who still have no control over their destinies in the three minority-ruled territories of southern Africa. But it is also important that Americans be aware of the trends in cooperative decolonization and the development of greater welfare and negotiating capabilities in the greater part of the continent that has attained its independence. The removal of reverse preferences eliminates a major American objection to the previous Eur-African Association. The provision for advantages to African states in the Lomé agreement does not remove inequalities between the signatories but it helps reduce disparities among them. As the world experiments with détente as a sequel to East-West conflict, it is important that North-South inequalities in welfare not be treated in policy or analysis as the new dimensions of security conflicts. Rather, they should be the basis for negotiation, cooperation, and a common search for the optimum conditions of interdependence.

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LABOR AND THE MULTINATIONALS

By Robert W. Cox

IT is now generally accepted that the expansion of the multinational corporation is a major, perhaps *the* major, phenomenon of the international economy today. Large corporations with their headquarters in the United States, in other Western industrialized countries, and now increasingly in Japan as well, are expanding their activities both into industrialized countries, including the Soviet sphere, and into the less-developed world. Once heavily concentrated in mining and extractive fields, today it is the manufacturing activities of the multinationals that command growing attention.

The political consequences of this transformation have now become the subject of a vast and growing literature. Much less attention, however, has been devoted to the impact of the multinationals on the work force within the affected nations.[1] Striving to come to grips with the rapidly changing pattern of production in the world, organized labor fluctuates between attempts to negotiate directly with the multinationals on their own ground wherever they may locate—a transnational strategy, if you will—and attempts to use their political leverage within their own nations in order to regulate and control the multinationals and thus to protect jobs within each nation.

In short, labor today has managed to generate only a confused, partial and lopsided response to the multinational corporation. To understand why this is so, it is necessary first to analyze the total impact of the multinational corporation (MNC) not merely on organized labor but on the total social structure and work force patterns of the affected nations. From such an analysis one can begin to grasp how truly drastic and dramatic the effect of the MNCs has already been and how over time that effect is likely to increase.

There emerges a reasonably clear conclusion that with rare exceptions organized labor henceforth is not likely to pursue the transnational strategy except in a minority of cases. Rather, the efforts of organized labor will be focused more and more heavily on moving national and international regulation of the multinationals in the

[1] Several of the books which have dealt with this aspect are the products of symposia. The first in the field was Hans Günter (ed.), *Transnational Industrial Relations,* London: Macmillan, 1972. A more recent one is Robert J. Flanagan and Arnold R. Weber (eds.), *Bargaining Without Borders: The Multinational Corporation and International Labor Relations,* Chicago and London: University of Chicago Press, 1974. A recent analysis from a European trade union perspective is Ernst Piehl, *Multinationale Konzerne und internationale Gewerkschaftsbewegung,* Frankfurt-am-Main: Europa Verlags-Anst., 1974.

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direction of fuller control over their impact on jobs. The larger questions of what effect organized labor's response to the multinationals may have upon the direction and pace of social change and thus upon the welfare of the work force throughout the world remain open. But the options for labor can now be seen as bifurcating toward either a more egalitarian world or, alternatively, one determined by the protection of acquired positions.

II

The question of labor and the MNC has often been discussed as though the working people concerned were just the employees of the MNCs. This is far too restricted a perspective within which to evaluate the social consequences of MNC expansion. In the broader context required to assess social impact, the expansion of MNCs must be seen as a principal dynamic factor in a far-reaching transformation of the world economy which is affecting the whole world labor force. Among the workers affected, those directly employed by MNCs are a minority and on the whole a relatively privileged one.

The advocates of the MNC often describe it as an engine of development. What they usually mean by this is that MNCs can increase growth, measured in production and incomes. In aggregate terms, this is a defensible proposition, but it begs the question: what is development? Whatever precise meanings may be assigned to it, development is a normative and purposive concept, and can never properly be reduced to an accounting aggregate like Gross National Product.

Contrary to the engine-of-development thesis, it has also been cogently argued that the kind of growth promoted by MNCs produces dependency and underdevelopment.[2] The concept of development connotes an element of equity, of widespread participation both in the processes of production and in the enjoyment of the fruits of production. One criterion for judging whether or not MNCs are engines of development is to look at the consequences of their expansion as regards participation in employment and incomes for the labor force as a whole.

The expansion of the MNC can be directly associated with a change in the international distribution of economic activities. A major initial impetus to foreign direct investment was the desire to develop and control supplies of raw materials—minerals and tropical agricultural products—upon which the continuity of production in industrially advanced centers depended. This classic type (petroleum,

[2] See for example Osvaldo Sunkel, "Big Business and 'Dependencia': A Latin American View," *Foreign Affairs*, April 1972.

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bauxite, copper, and plantation crops) is no longer so characteristic as it once was of the MNC. The more recent and now much more characteristic aspect of the MNC's expansion has been the growth of international production—manufacturing in foreign-owned plants, which has been the world's fastest growing "economy" of the past decade, and has become the principal participant in international trade. In part, international production has taken the form of the creation or acquisition of plants by foreign owners to supply domestic markets, profiting from the monopolistic advantages of the big corporation (access to financing, knowledge of markets, product differentiation, a corner on some piece of technology) in competition with local industries and—as in the case of the European Economic Community (EEC)—operating within tariff walls. More recently, international production has taken the form of direct investment in "export platforms" provided by less-developed countries.

The importance of these changes can be seen in the auto industry: in 1950, 80 percent of world auto production was in the United States; by 1972, the United States accounted for only 32 percent, Western European production had risen from 15 percent to 35 percent of the world total, and Japan (with Brazil) had moved from one-third of one percent to 18 percent of the total. Since world production had expanded more than threefold during this time, there was no absolute drop in U.S. auto production, but the world distribution had shifted markedly.[3] All major automobile-producing companies had, by the latter date, become multinational producers. The shifting international distribution of production was reflected in significant intra-corporate shifts in the location of production. Looking ahead, it seems likely that the international distribution of the industry will show an increased share going to the industrializing less-developed countries and to the U.S.S.R. and other socialist countries.

The automobile industry is characterized by high technology, though still relatively labor-intensive. In more labor-intensive lines of production, such as textiles or the manufacture of electronic components, the movement of industry toward the less-developed areas has been even more marked. Automobile production is geared rather more to domestic and regional markets than to distant exports, though Japanese and Russian automobiles have a share of the European market, and Europeans and Japanese currently a large share of the American market. But increasingly, in the most labor-intensive lines,

[3] These figures are derived from a table presented by Professor E. M. Kassalow in an unpublished manuscript on the International Metalworkers Federation. Professor Kassalow bears no responsibility for my use of his figures.

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MNCs have set up manufacturing plants in less-developed countries to build components or products primarily to export to their home country or other relatively rich-country markets.

The importance of the "export platform" for U.S.-based industries can be gauged by the fact that the aggregate of U.S. foreign subsidiaries by 1968 had become an exporter in world markets as large as Germany and twice as large as Japan, and that much of these exports of U.S. subsidiaries were coming into the United States as imports—to the extent of one-fourth of all U.S. imports.[4] The readiness of the U.S. government, under pressure from UNCTAD and Latin American countries, to reverse its opposition to the generalized system of preferences for manufactured exports from the less-developed countries may be critically appraised in the light of the fact that so substantial a part of these exports now entering the U.S. market are the produce of foreign subsidiaries of American companies.

In the most general terms, these trends show a shift of industrial manufacturing away from the most advanced economies toward those countries now in process of industrialization, while the control centers remain in the more advanced countries. European production expanded rapidly from the late 1950s, and more recently the most rapid expansion has been in countries of the western Pacific and a few others like Brazil. Japan, once in the lead in pace of growth in the Pacific area, has become a relay furthering growth in less-developed countries like South Korea, Taiwan, Hong Kong and Singapore. The more advanced economies, meanwhile, turn toward a "post-industrial" structure of the labor force, with a declining proportion in manufacturing and an increasing emphasis on sophisticated services—on software rather than hardware.

For the labor force as a whole, the central issue posed by these changes in the structure of the world economy concerns employment. In the rich countries, can the growth of services compensate for the decline in manufacturing jobs? In the industrializing countries, will the growth of industry, rapid as it has been in countries like those of the western Pacific and Brazil, make a significant dent in widespread unemployment and underemployment? And will the poorest countries of all ever get some share of the action? These long-range questions are currently posed in a context of world recession outside the socialist countries, of a dramatic international shift in monetary reserves consequent on the increased cost of petroleum, with as yet unresolved implications for world monetary relations, and of a new

[4] See Theodore H. Moran, "Foreign Expansion as an Institutional Necessity for U.S. Corporate Capitalism: The Search for a Radical Model," *World Politics*, April 1973, pp. 384–85.

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awareness of the finite limits to the earth's ecosystem which cautions against thinking that all economic and social problems can be solved ultimately through economic growth.

In the more advanced industrial societies, organized labor has raised a number of alarm signals. In the United States, the AFL-CIO seeks government controls over MNCs that will limit the movement of production abroad by U.S. corporations so as to stop the "export of jobs." MNCs reply to organized labor that they are in fact creating more jobs at home. Many of these new jobs, however, are unlikely to be available to the displaced workers. Openings for systems analysts may not be very helpful to redundant auto assembly workers. Jobs lost and jobs created cannot be neatly balanced but have to be looked at in the more personal terms of the transferability of individuals with particular skills and habits—and in North America today, there is little confidence that the labor market is equipped to ease the transition of displaced workers satisfactorily.

Regarding the employment consequences of international changes in production, there appears to be a contrast between the United States and Japan, on the one hand, where corporate decisions are shifting the more labor-intensive production away from the home country into its external economic periphery (often to the same export platforms of the western Pacific and Latin America), and West European countries, on the other hand, in which less productive work has devolved to an imported lower wage category of immigrant labor from the Mediterranean countries, thus transforming a geographical periphery into an internal social periphery. Most of the concern voiced in Western Europe in recent years about this question has been over the issues of inter-ethnic relations and the encounter of contrasting cultures. This has led some West Europeans to argue for restriction of alien workers, while others point to inequities in their status and conditions. Until recently, the prospect of unemployment has not figured in the debate.

There are now, however, indications of a more acute concern about jobs. In part, this is because the recession has brought to Western Europe levels of unemployment less than those of the United States but still well above those regarded as politically safe. But in part the growing concern in Europe is with longer-term factors: with an outward flow of direct investment from the EEC countries and a fear that Europe may be but a temporary stopping place for U.S. capital in its secular movement toward lower labor cost areas.

In the less-developed countries, the employment prospects are even more pessimistic. The technology transferred from mature industrial

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countries has not expanded employment commensurate with increases in the labor force and declines in agricultural labor. Exhortations in favor of the development of more labor-intensive technology have not made much impression either on governments seeking new industrial investment or on potential investors who already have a stake in the technology they bring. The marginal populations of the Third World —those who have left rural pursuits without having found an established place in urban employment—now are estimated at close to one-third of the labor force, with no signs of their numbers abating.

Thus in all these different areas of the world, the employment consequences of the expansion of international production appear rather grim, accentuated by recession but traceable ultimately to continuing long-term structural changes. Unemployment, of course, hits some people more than others. Its social impact is differentiated by the structure of the labor force.

The concepts of primary and secondary labor markets, introduced by some labor economists, are useful in explaining this differential impact.[5] These economists observed that many workers are in enclosed internal labor markets, which they entered at an early stage in their employment history and within which they have some opportunities for career development. These may be big public or private corporations, or else an industry in which the conditions and status of workers are regulated by powerful unions, as in construction. These more established workers are in the primary labor market. They tend to be those with the higher skills, better pay and most effective union organization. The secondary labor market conforms more closely to the classical concept of a market in which the price of labor is determined by supply and demand. Employment for secondary labor-market workers is more unstable, there is greater turnover of jobs and little career development. These are the more expendable workers, less skilled and less well protected by unions. Ethnic discrimination and low social status frequently add to these disadvantages.

As is all too evident today, secondary labor-market workers are disproportionately hard hit by unemployment. In the United States, blacks, Puerto Ricans and Chicanos are numerically prominent among the unemployed. In Western Europe, the greatest impact of prolonged unemployment falls less heavily upon the industrialized center than upon the periphery—upon Portugal, Spain, Greece, Turkey and southern Italy, whence came Western Europe's secondary labor-mar-

[5] These concepts have been used comparatively in Peter B. Doeringer, "Low Pay, Labor Market Dualism, and Industrial Relations Systems," (unpublished) Discussion Paper No. 271, Harvard Institute of Economic Research, Harvard University, January 1973.

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ket workers. This impact upon the southern rim of Europe only increases its political volatility.

Prevailing employment patterns also have political implications in other less-developed countries. The explosive potential of a large socially marginal population in these countries is now contained by two factors. One is the lack of any unifying consciousness of revolt among marginals themselves, who initially have been more susceptible to the consumption culture exported by more affluent societies, or to messianic illusions prompted by despair, than they have been to revolutionary action. The "wretched of the earth" have had their prophets from Michael Bakunin to Frantz Fanon. Revolutionary guerrilla bands like the Tupamaros have sought cover and support among them. Radical labor movements like anarcho-syndicalism have at times drawn support from them. But marginals generally have not been aroused as a social class with effective and sustained cohesion comparable to that attained by industrial proletariats in late nineteenth century Europe and America, although in some parts of the world they may now be approaching this threshold.

The other containing factor is the effectiveness of repressive techniques for the control and suppression of such overt discontent as does appear, in the hands of the authoritarian governments which have become the characteristic sponsors of industrialization by means of foreign investment. The connection between political authoritarianism and the promotion of economic growth through foreign investment derives more from the logic of political economy than from an iniquitous conspiracy of foreign big business with corrupt local politicians—although evidence of such conspiracies is not lacking of late. The pattern of growth promoted by private foreign investment has accentuated the discrepancy between geographical poles of growth and the hinterland—between the São Paulos and the Nordestes—and has exacerbated inequalities in the distribution of incomes between social groups within countries, in large part because of the very limited employment-creating effect of this kind of growth. Regimes which rely substantially upon MNCs to produce growth have consciously sacrificed the "less fit," among whom the social marginals loom larger and larger.[6] This is politically possible only if the

[6] Some Brazilian technocrats spoke of "Operation Euthanasia," i.e., neglect of the depressed areas and social groups. Cf. Marcio Moreira Alves, *A Grain of Mustard Seed: The Awakening of the Brazilian Revolution,* New York: Doubleday Anchor Press, 1973. In similar vein, some American theoreticians of economic assistance now speak of "triage," i.e., abandoning the hopeless cases to their fate while concentrating aid upon those who have demonstrated their fitness to survive by changing their cultural habits in line with externally perceived economic requirements. See "Triage: Who Shall Be Fed? Who Shall Starve?" by Wade Green, *The New York Times Magazine,* January 5, 1975, pp. 9–11 ff.

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less fit remain unable to protest effectively, and if such protest as they do make can be effectively repressed. Repression becomes a political condition for a pattern of growth which generates marginality. But the coercive state has its own autonomy, and the military-bureaucratic regimes born of this process acquire through it also in time the ability to exact greater concessions from the foreign investors they have admitted.

III

Thus, a consequence of the internationalizing of production is the emergence of a global class structure somewhat modified from that derived from nineteenth-century production relations. The expansion of the MNC has been a major force in bringing this new structure of classes into being. Its outlines are as follows:

1. At the apex of the social configuration is a *transnational managerial class.* This includes the administrators of MNCs, the associated economic diplomats, and many of the technicians in research and development and control systems. These people are transnationally mobile and may be expected to develop the kind of global outlook on their work that Howard Perlmutter described as "geocentric." Sharing many of the perspectives of this group and providing a framework of support for their activities are officials of intergovernmental organizations, e.g., the World Bank, the International Monetary Fund, U.N. Development Program, etc., and the larger network of experts associated in their work. Further support is found among personnel within the public policy-making institutions of national governments. Collectively, and despite rivalries attributable to particular interests, the transnational class seeks to establish a liberal world economic order in which stable and predictable conditions will be propitious for the relatively free international movement of factors of production. The outlines of an ideology expressive of these goals are already clear—an ideology that can be called "transnationalism" or "globalism," which sees the MNC as the engine of global development, and economic nationalism as the obstructive reflex of an obsolescent nation-state.

2. Beneath the transnational class stands a large class of *established labor,* established in the sense that its members enjoy relatively secure employment and, corresponding to this, a secure status in their local communities. These people do not move out of their own countries and rarely out of their own communities, in which they have a stake as more or less active citizens and often as small proprietors. They correspond to the primary labor market. This group has been

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the main object and beneficiary of the social institutions, the social legislation, and the institutionalization of conflict evolved in the industrial societies during the nineteenth and twentieth centuries. As such, the group has a high level of consciousness of its place and power in society. This consciousness has tended to take an instrumental form—a confidence in the group's ability to make the institutions of industrial societies work for its own protection and advancement.

3. At the bottom is a third group, varying in relative size, in some countries larger than the class of established labor, in others somewhat smaller. This group can be called the *social marginals*. (The designation of "class" may be disputed for this group, on the ground that class presupposes not only a specific relationship to the means of production, but also an awareness or consciousness of its position.) This group includes both those—particularly in the less-developed countries—who have been unable to find industrial employment, and also those—especially in the more industrialized countries—whose precarious employment is in the secondary labor market. The marginals pay the higher social costs whether of industrial growth or of recession.

IV

It must be apparent that this description of the emerging social pattern, brought on largely by the expansion of the multinational corporations, does not conform to the historical pattern of social structure on which the organized labor movement of the United States and other industrialized countries is based. Clearly, if new social structures are, in fact, developing rather rapidly, a serious question is raised whether the classic relationship of labor and management as it has evolved in mature industrial societies—in effect a procedure for institutionalized conflict[7]—is capable of containing the potential for social conflict inherent in the emerging class structure.

Keeping this question in the back of our minds, let us now look at the record of organized labor's response to the challenge of the multinational corporation. Ever since the early 1950s, the dramatic spread of production in the automotive industry had led trade unions to consider ways of making their response more effective. In particular, the International Metalworkers Federation organized a series of world company councils in the automotive industry, bringing together representatives of the unions that deal with a particular company in the different countries in which the company operates.

[7] A brilliant analysis of the institutionalizing of conflict is given in Ralf Dahrendorf, *Class and Class Conflict in Industrial Society*, Stanford: Stanford University Press, 1959.

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Another widely noted development was the consultation instituted between the management of the Philips electrical concern and unions, in regard to questions of production and job security. Then, in 1969, there occurred a highly publicized confrontation of the French multinational Saint Gobain Company by a multinational group of unions coordinated through the International Federation of Chemical and General Workers. This event was certainly of no greater intrinsic importance than a number of other similar multinational trade union initiatives in automotive, electronics, chemical and pharmaceutical, rubber, petroleum, and air transport industries, but it constituted a public relations breakthrough following as it did upon a widely publicized stock market battle for the takeover of Saint Gobain.

Such events seemed to suggest that the continuing global expansion of MNCs would be accompanied by the emergence of transnational collective bargaining through a restructuring of trade unions along the lines of the MNC. This particular image of labor's response could be spelled out in terms of the development of a series of instruments designed to strengthen unions in relation to the corporation. The first stage in putting these instruments together is acquisition, coordination and analysis of information about the MNC. Further instruments in the trade union arsenal are support for union organizing efforts in countries where unions are weak or nonexistent; pressure on corporate headquarters to recognize and bargain with unions in other countries in which the corporation operates; banning overtime and other increases in work schedules in other countries in the event of a strike in any one country in which the corporation operates in order to prevent shifts in production; organizing consumer boycotts of corporation products; coordinating the terminal dates of collective agreements in different countries; and ultimately collective bargaining at the level of the corporation as a whole.

Of course, when contemplating this particular image of future global labor management relations, unions recognized the relative advantages of MNCs and their own areas of relative weakness in the development of these different stages of response. The advantages enjoyed by MNCs derive from their size and the very fact that, operating within several national jurisdictions, they can minimize or avoid some of the controls and the checks and balances evolved within the national framework of industrial societies. MNCs can maximize their advantages among different national jurisdictions as regards such factors as fiscal and labor market conditions, and by intra-corporate transfer pricing and other accounting devices can determine where to show their profits. These advantages MNCs can exploit

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actively and aggressively because they have sophisticated and centralized information and decision systems, compared with which governments and *a fortiori* trade unions are in a more defensive posture, lacking adequate information on which to base their action, and—with regard to trade unions in host countries—frequently unable to deal directly with the real locus of decision-making authority in the MNC.

The principal weaknesses of unions in confronting the MNCs can also be readily catalogued. As between developed and less-developed countries, there are marked differences in the organized strength of unions. In some cases, the availability of abundant, docile and cheap labor is a major incentive for MNCs to establish manufacturing enterprises in certain developing countries. Furthermore, unions fear that MNCs' use of manipulative techniques of sophisticated personnel management may undermine union organization.

Differences in ideological orientation and political affiliation have also left bitter feelings of mutual suspicion among labor leaders in some countries that continue to obstruct concerted action. In addition, the distance between the rank and file on the shop floor and the union leadership and staff, which has become manifest in most industrialized countries in recent years in the form of wildcat strikes and shop steward movements, would likely be further widened by the introduction of transnational bargaining which would be even more remote from the individual worker. What guarantees would there be that a multinational union could hold all its members in different countries to a centrally negotiated agreement?

Union efforts to overcome these weaknesses include support in money and personnel for organizing drives abroad, public denunciation and the building up of pressure against governments that obstruct union organization in the interests of attracting foreign investment for export industries, and initiatives to bridge the ideological gap and to promote contacts among erstwhile hostile union leadership—such as the initiatives toward collaboration among social democratic, Communist and (former) Christian trade unionists through the recently formed European Confederation of Trade Unions (CES).

The image evoked here of future industrial relations is one of a growing power of multinational unions gradually overcoming these obstacles so as ultimately to balance the power of the global corporation. States do not figure prominently in this scenario, because those who have cultivated this vision have tended to regard the state as an obsolescent structure.

The United Automobile, Aerospace and Agricultural Implement Workers of America (UAW) has been the major single source of

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impetus behind this transnational strategy, though its exponents are now to be found well beyond the UAW itself. The UAW has been a preponderant influence upon the International Metalworkers Federation, which has become one of the principal vehicles for propagating and organizing the transnational approach from its headquarters in Geneva, Switzerland. And the leadership of the other international trade union body which has been most active in this direction—the International Federation of Chemical and General Workers—has at least an ideological affinity with the UAW. So striking is this point of origin of the strategy that the question must be asked whether the effort toward multinational bargaining is the extension abroad of a particular manifestation of U.S. trade union power, just as the expansion of MNCs was perceived abroad as an American challenge to weaker economies.

It would be an oversimplification, however, to think of the transnational strategy as the aggressive expansionism of American trade unions, and the national strategy as the defensive reaction of unions abroad. In the United States, only a minority of union leaders have been aligned with the UAW in practical support of the transnational strategy, while outside the United States the UAW has found some allies to participate in the strategy.

V

The alternative to this transnational strategy has been what might be called a *national* strategy, in which trade unions apply their political strength as pressure on the government to control MNCs in the interests of labor, as well as using their economic strength locally in bargaining with MNCs. The aim of this strategy is to ensure that state controls eliminate the special advantages MNCs enjoy because of their ability to operate in a number of countries. In countries where national entrepreneurship was highly developed before MNCs became prominent, state controls may take the form of reducing the advantages MNCs have over national enterprises. In this respect, there is a basis for support of the national strategy by both organized labor and national entrepreneurs. But the national strategy may also be more radical and far-reaching, envisaging nationalization and a socialist structure of the economy.

Basically, the policy followed by the AFL-CIO in the United States has been along the lines of such a national strategy in the nonradical sense. To understand why different segments of organized labor in different countries opt either for the national or the transnational strategies, it is helpful first to look into certain characteristics

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of union organization, which differ significantly from country to country and from industry to industry.

The transnational strategy is most likely to be adopted where unions are strongly organized at the plant level and relatively autonomous of central trade union organizations at the national level. In other words, the transnational strategy requires a fragmentation of national labor organization so that the segments relevant to a particular MNC, or industry in which MNCs dominate, can be integrated transnationally. These conditions are facilitated when employment in an industry is characterized by relatively small numbers of relatively highly skilled workers in technology-intensive operations. Such groups of workers can readily perceive the advantage their strategic position in the industry gives to them. Even where the general pattern of trade union organization is centralized, such groups of workers may be inclined to go their own way, maximizing their advantage independently. National patterns of labor organization vary in respect to this factor of centralization. The plant-based strength of unions in North America and Britain opens the way toward a transnational strategy more readily than do the more centralized union structures of continental Europe.

Ideology is another factor in the choice between transnational and national strategies. The fact that a relatively small proportion of the work force is unionized in North America encourages an ideology in which unions are regarded as instruments within an accepted economic system for protecting and advancing their members' particular interests. This essentially instrumental ideology is compatible with a transnational strategy. The much broader base of union membership found in Scandinavia and to a lesser degree in other countries of northern Europe tends on the other hand to sustain an ideology which sees unions as the vanguard of a movement to transform society in a spirit of solidarity with the least fortunate. Such an ideology of solidarity is a deterrent to the fragmentation necessary to the transnational approach. The discipline exercised by the central organization's control over the membership in Scandinavian labor organizations would obstruct any initiatives for independent transnationally coordinated bargaining in plants belonging to MNCs that could result in agreements out of line with the nationally negotiated agreements. For similar reasons, the powerful German metal workers union I.G. Metall has been less than eager to support the American UAW's initiatives toward using the IMF as a framework for implementing the transnational strategy.

A strengthening of shop floor movements, rebellious toward union

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leadership, which have become commonplace in Britain and increasingly so in other Western European countries, could bring about a loosening of central organization control in labor movements conducive to transnational confrontation of MNCs by plant-based revolts in several countries. Such a case did in fact occur in a simultaneous action by British and Italian employees of Dunlop-Pirelli. However, there are good reasons to believe such movements are unlikely to lead to formally structured multinational bargaining. Ideologically, shop floor movements have been more radical than the top union leadership and less likely to abandon the concept of solidarity in favor of instrumentalism. And structurally, local plant-based movements are likely to resist ceding their power to a multinational union with a company-wide base that would in effect remove labor relations from the direct workplace control which was the raison d'être of the shop floor movements in the first place.

The extent of trade union influence over the general economic environment of labor is a further factor. The chief objection by the AFL-CIO to the MNCs is that they export jobs from the United States. The same objection is not voiced by labor organizations in Scandinavia. The difference is explained by the degree of control Scandinavian labor has over the labor market. The effectiveness of adjustment assistance to displaced workers through active labor market policies in Scandinavian countries, achieved through a labor market system shaped and influenced very largely by the trade unions, enables the labor movement to give priority to economic modernization over the protection of specific jobs. Scandinavian trade union organizations have taken a benign view of the exporting of lower productivity types of employment to poorer countries. By contrast, American unions lack the same degree of confidence in the adjustment assistance measures written into U.S. trade legislation, and are more concerned to maintain existing jobs than to rely on upgrading and reemployment of displaced workers.

Both the Scandinavian and the American situations in this respect, it should be noted, are conducive toward the national strategy, the one in a spirit of confidence, the other of pessimism. The transnational strategy is more likely to be followed when unions are neither committed to national economic and labor-market policy nor feel especially threatened by job displacement to other countries. Since job displacement can become a threat under changed economic conditions, the propensity toward a transnational strategy may prove to be unstable and transitory. The recent history of the UAW offers a test case of a union which had led in promoting transnational action being

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driven as a consequence of massive layoffs in the automobile industry into a more defensive and protectionist national strategy.

Sometimes the rhetoric of union leaders and the language of tactical statements by trade union organizations about MNCs create confusion as to their basic strategic positions. The Communist-controlled World Federation of Trade Unions (WFTU) and the French *Confédération générale du travail* (CGT), for example, have issued statements asserting that the expansion of MNCs should lead to greater international collaboration among trade unions of different ideological persuasions—statements which seem to read like an endorsement of the transnational strategy. There is, however, a fundamental difference between the CGT, which sees the MNC as the highest form yet reached by the world capitalist system—a system which the CGT fundamentally opposes and seeks to transform into socialism—and the supporters of the transnational strategy who see the MNC as an efficient economic structure from which organized labor can extract greater benefits. The CGT's policy represents a radical variant of the national strategy; it proposes to attack capitalism through political and trade union action at the national level, while recognizing that the success of this enterprise within one country will be dependent upon the strength of the forces simultaneously opposing capitalism in many countries.

Weighing these various factors, the general conclusion emerges that at present the factors conducive to the national strategy predominate in labor movements in all parts of the world, and that a substantial development of transnational union bargaining with MNCs is an unlikely prospect, contrary to some recent speculation in this sense. The impetus behind the transnational strategy which came from the United States has been dampened at least momentarily by the recession, while the strength behind national strategies in the United States and elsewhere has grown.

This conclusion conforms with analyses which suggest that the relatively uncontrolled expansion of MNCs reached a peak on the threshold of the 1970s, and that the future is likely to see increased national controls over the MNCs by both host and home countries.[8] The image of a transnational countervailing power of trade unions arose at a time when states seemed to have let a good deal of control slip from their hands. With states in both home and host countries now more effectively back in the picture, trade unions are likely to direct both their economic and political power to influence state action.

[8] See for example, Peter P. Gabriel, "The Multinational Corporation in the World Economy: Problems and Prospects," in Flanagan and Weber, *op. cit.*

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Wherever the transnational strategy is maintained, it seems likely this will be by elite groups of workers who perceive their advantage in a symbiotic relationship with the MNCs. Insofar as such groups of elite workers are successful, the welfare implications for workers as a whole would be regressive; the gap between those within and those outside the symbiosis would widen. Thus the transnational strategy could provoke a reaction from the less favored group outside. The transnationalism of a new labor aristocracy would be confronted by the nationalism of the less favored majority of workers.

VI

If the main thrust of organized labor with respect to MNCs seems likely to be toward securing more effective public regulation, in ways that would protect and advance labor interests, the next questions to be considered are: What kinds of regulation of MNCs can be envisaged?[9] Which of these kinds of regulation is labor most likely to support?

At present, no international regime of rules or regulations exists for MNCs as such, much less in regard to the implications for labor of MNCs. International labor standards have, of course, been adopted through the procedures of the International Labour Organisation (ILO) which are applicable generally without distinction between MNCs and other employers. The ILO's standards are in the form of model provisions designed as guidelines for enactment through national legislation or practice; they do not constitute anything like an international jurisdiction administered by an international authority to which MNCs could be made accountable.

Since the MNCs operate beyond the jurisdiction of an individual state, the question of an *international regulatory authority* has been raised along with other more conventional proposals for regulation. This proposal envisages a supranational body which would register MNCs and give them an international legal personality—"cosmocorps" according to the terminology of George Ball—and would ap-

[9] I am much indebted to the classification of proposals for international regulation for MNCs suggested by William Diebold, Jr. and Janice L. Murray, in an unpublished paper they prepared for the third Lester B. Pearson Conference on the Canada-U.S. Relationship, held at Niagara-on-the-Lake, Ontario, September 1974. The discussion at this conference was helpful in shaping some of the ideas expressed in this article. So was the Conference on International Rules for Multinational Corporations held at the OECD in Paris, in January 1975, under the auspices of the American Society of International Law and the Association Internationale du Droit Commercial et du Droit des Affaires. A useful analysis of the problem and prospects of regulating MNCs written from a standpoint of neoclassical economics while recognizing that politics may be more important than economics in this matter is by Robert O. Keohane and Van Doorn Ooms, "The Multinational Firm and International Regulation," *International Organization*, Winter 1975, pp. 169–209.

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ply such rules for the regulation of competition and guarantees against uncompensated expropriation as were agreed upon. The proposal is in effect intended to protect MNCs against the intervention of nation-states as a counterpart to the establishment of international regulation.

This proposal need only be noted in passing, for it lies clearly beyond the bounds of political feasibility. Given the present nature and authority of international organizations, the proposal must be accounted at best as utopian, at worst as a confidence trick which would remove MNCs very substantially from the only jurisdictions able effectively to control them, i.e., national jurisdictions with all the means of enforcement at their disposal, in order to allow them greater freedom under a facade of ineffectual international regulation. This suggestion for international regulation is mainly of interest as a manifestation of the ideology of transnationalism.

A possibly greater degree of feasibility attaches to suggestions for a *general agreement on foreign investments* analogous to the General Agreement on Tariffs and Trade (GATT) in the realm of commercial policy. Under this approach, states would remain the effective jurisdiction and enforcement agencies but would agree upon certain common principles of national action in such matters as taxation, regulation of competition, foreign exchange and export controls, expropriation conditions, etc. The general agreement might be supplemented by the setting up of an agency able to initiate investigation of related issues and to make recommendations which might become the basis for an extension of the scope of the agreement. Such a general agreement could be described as a code applicable to MNCs, and the notion of a "code of conduct" has also been suggested in looser forms and with less explicit machinery for accountability and enforcement.

The main proponents of the GATT-type approach to regulating the MNC have not usually given prominence to labor matters, although some labor organizations including the International Confederation of Free Trade Unions have advocated a "code of conduct" for MNCs in the labor field. The ILO has already begun—rather inconclusively—to discuss the notion of such a code of conduct.[10] One obvious approach would be to include within a general agreement on investment certain of the more important existing ILO standards, such as those dealing with trade union rights and collective bargaining and certain basic conditions of work and safety provisions. (This idea encounters the objection that in some countries these norms would then apply to MNCs but not to national enterprises.)

This approach, like the foregoing, originates in a benign view of

[10] *Multinational Enterprises and Social Policy,* Geneva: ILO, 1973.

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the potential role of the MNC in the global economy. Were any such agreement to be concluded, it would be most unlikely to be universal in scope but limited only to countries whose governments share such a view. Similarly, it would appeal mainly to those segments of the labor movements that opt for the transnational strategy. As with the international regulation proposal, the proponents of the general agreement have in mind to create certain guarantees for foreign investment as a counterpart to regulation, and thereby to provide a more predictable environment for the operations of MNCs. The general agreement approach does not respond so well to the desires of governments or of trade unions that see MNCs as a threat to their own control of the instruments essential to pursuing a welfare policy. Such governments would be disinclined to enter into international obligations that would restrict their means of control over foreign investors and the jobs they may create or withdraw. It is indicative that the Canadian government, which once favored the general agreement approach, has now moved away from it.

A further objection to the general agreement or code of conduct approach in the labor field is that it would apply only to workers employed directly by MNCs. The impact of the internationalizing of production on the welfare of people *outside* the MNC sector is a critical issue, with which the codes approach in no way comes to grip.

Any significant advance toward worker participation in management, advocated with growing vigor by part of the European Left, could alter the current balance between transnational and national strategies on the part of labor. This development could cut either way, depending upon the real nature of worker control. For many who advocate it, worker control in industry has become the current revolutionary myth heralding a transformation of the structure of power in society. Insofar as this vision approximates future reality, worker control, by ensuring that power remains on the shop floor, would crumble the centralized control structures of MNCs. The historical reality of worker participation in management has, however, been anything but revolutionary. Codetermination has co-opted worker elites into the social partnership. Union representation on the boards of management of MNCs, which has been advocated by some exponents of the transnational strategy, could well prove to be a step toward corporatist symbiosis in labor-management relations—a step which would confirm the neglect of and unconcern for the broader welfare issues which have characterized the process of internationalizing production.

An *information and reporting* approach to regulating MNCs seems

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likely to be widely adopted. The United Nations has lent its authority to this approach, which recognizes that national governments have the major responsibility for regulating MNCs, but frequently lack the information to make their attempts at regulation effective. The international aspects of this approach would identify the kinds of information governments should require MNCs to disclose, and would also provide expert assistance to governments which require it in order to set up the machinery to collect and use this information. Trade unions will support this approach since, even more than governments, they are aware that lack of information puts them at a disadvantage vis-à-vis MNCs.

The pattern of regulation most likely to emerge as dominant will come via a complex process of *intergovernmental bargaining over the application by home and host countries of national controls and requirements*. Looking backward, some countries like Japan took a highly restrictive attitude toward foreign investment, while other countries like Canada and many less-developed countries imposed few restrictions. Recently, the distance between these polar types has greatly diminished. Japan—and even the Soviet Union—admit MNC operations more readily but on their own conditions. Canada and less-developed countries increasingly require that foreign investors bring some specific benefit—in the form of jobs for nationals, new technology or investment, or an increase in exports—and that they conform to national industrial policies. Home countries are likewise under pressure to regulate MNCs from a variety of motives, e.g., to prevent the export of jobs, to curb an outflow of capital, to protect technological advantages in some fields, and to prevent shifts in the sourcing of exports entering world trade that could have long-term adverse balance-of-payments effects. The restrictions that both home and host countries now seek to apply to MNCs are more frequently coming into conflict with each other.[11] It is thus likely that governments of home and host countries will increasingly be negotiating with each other over what specific MNCs can do and the conditions under which they should do it. The issues at stake are not susceptible to generalization into norms or principles; they are questions of more or less. The resulting complex of regulations will be messier, more detailed, and probably more effectively administered than any generalized code of conduct. It will also be much less favorable to the MNCs.

From the perspective of labor, two main points must be noted. The

[11] The point is discussed in C. Fred Bergsten, "Coming Investment Wars?", *Foreign Affairs*, April 1974.

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first is that labor is very much concerned with these issues since they directly affect jobs. Organized labor will thus be prominent as a pressure group seeking to influence the outcomes both of national scrutiny and regulation of foreign investment and of intergovernmental negotiations about such regulation. The second point is that trade union action will take place within the national strategy. And in this process different national trade union strategies will frequently come into collision.

Canadian workers, for instance, have an interest in encouraging the establishment of a tire factory providing jobs in Canada, a factory designed to supply the North American market. Canadian workers would thus support a government offer of incentives to the foreign investors interested in establishing this factory in an area of Canada where unemployment is relatively high. U.S. organized rubber workers, on the other hand, see this Canadian action as potentially depriving their members of jobs, and petition their government to impose some restriction on the import of tires from Canada. Such cases will become increasingly common.

VII

The question remains: Even if organized labor, using the national strategy, is able to bring pressure on individual governments to improve national and international regulation of the multinational corporation, will this deal with the potential for social conflict inherent in the emerging class structure?

From the above, it seems clear that organized labor has not been able and seems unlikely to be able to deal equitably with the whole range of social issues raised by the changes in a world economy impelled forward by the expansion of MNCs. The transnational strategy—perhaps the most striking form of labor response—is in many ways the least equitable. It deals only with the employees of the MNCs themselves, and in practice only with the most favored of these. The transnational strategy offers little hope, for example, to the workers in "export platforms," whose governments frequently guarantee the conditions of low wages and freedom from strike actions which are so attractive to foreign investors. This union strategy would only increase the privileged position of a minority of workers.

The national strategy can have a broader social impact, but the danger is that where organized labor reflects primarily the interests of primary labor market workers, the class of social marginals will be neglected—and it is precisely this class whose claims rank highest by the criterion of social equity. At present, there is no sign of a re-

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sponse to the MNCs which would come effectively to grips with the condition of the social marginals. Yet economic trends continue to make this group increasingly numerous and increasingly vulnerable.

The extent to which social equity is an effective guide to policy is very much a matter of political structures, and the consequences of trends analyzed here are clear in their implications for political structures. Successful pursuit of the national strategy by strong trade union organizations in industrialized countries could lead toward a form of corporate state in which unions would exert a continuing influence along with business upon government intervention in the economy and upon foreign economic policy. The corporate state would provide the powerfully organized interests with protection and security, leaving the social marginals to the discretionary generosity of state welfare. In less-developed countries, the political consequence of growing marginality has more frequently been a less sophisticated form of coercive authoritarianism.

These political structures are not solutions to the problems posed but rather expedients to contain the conflicts inherent in the emerging class structure. In the broadest terms, we are moving from a period in which economic resources have by and large been sufficient to moderate social tensions, toward one in which political resources are being used to compensate for the growing inadequacy of economic resources. In retrospect, economic growth appears to have been the principal factor which allowed industrial conflict to become institutionalized and which diminished its intensity. Unions could dispute with employers over the division of increments to growth without attacking either the basic distribution of wealth or the structures for reproducing wealth. In consequence, established workers were able to improve their conditions progressively. The cult of growth—unquestioned as recently as the early 1960s—has now been displaced by an awareness that human survival requires some restraint in the rates of depletion of natural resources, of increases in population, and of the polluting effects of production. Superimposed upon this new perception of the finite character of the global ecosystem now comes a recession, bringing about a de facto decline in growth. Without actually embracing zero-growth as a policy for a world which has so much poverty to relieve, it does seem necessary to abandon the mental schema of the 1950s and 1960s in which all problems seemed to be resolvable or postponable through growth, with differential payoffs to the contending parties in proportion to their relative strength.

The new low-growth schema sees social classes as well as nations in an ongoing confrontation of a kind that Helmut Schmidt aptly de-

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scribed as the "struggle for the world product."[12] The form of the struggle is political though its object is economic. Power and bargaining strength now consciously replace the classical concept of the market as the way in which distribution is determined. The issues now have to be faced in terms of sharing and redistribution among social classes as well as among nations, no longer in terms of the division of increments. The issues thus become more intractable, more conflictual, and they place a very heavy, perhaps too heavy, strain upon national and international institutions which were devised upon the assumption of continuing growth.

Within this prospect of rising conflict and institutional stress, established labor and its union leaders are in a position to influence future directions in a crucial manner. They can acquiesce in the movement toward corporate states and coercive authoritarian regimes, or they can resist these tendencies. Some elements of self-regarding interest counsel acquiescence. It would be illusory to pretend the contrary. But established workers and at least some of their union leaders still recall the historic moral appeal to a worker solidarity in which the more powerfully organized demonstrate their responsibility to defend the weaker as well as themselves.

Thus, established labor confronts the critical ethical option: symbiosis or solidarity, either a corporatism with its coercive accompaniment or the pursuit of a broader and more egalitarian welfare at the sacrifice, for some more advantaged groups, of material gains they might have had. And if labor exercises the option for solidarity, the multinational corporation need appear neither as hero nor as villain. Rather, it would appear as an objective force in the movement of social history: both a generator of the class structure and a catalyst of labor's consciousness, provoking decisions on the future alignment of the classes into which labor has become divided.

[12] Helmut Schmidt, "The Struggle for the World Product," *Foreign Affairs,* April 1974, pp. 437–51.

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RECONSIDERATIONS

THE CASSANDRA IN THE FOREIGN COMMISSARIAT

MAXIM LITVINOV AND THE COLD WAR

By Vojtech Mastny

TOWARD the end of his long and distinguished career in the Soviet diplomatic service, Maxim Litvinov tantalized his foreign interlocutors with increasingly candid expressions of dissent from his employers' official line. There are several such incidents on record from May 1943 to February 1947—only some of which have been familiar to specialists in Soviet affairs though never adequately analyzed for what they are worth.[1] Yet they raise altogether fundamental questions—about Litvinov and about the whole pattern of Russian behavior during the formative years of the cold war.

There is, to begin with, the obvious question of authenticity, particularly since some of the conversations took place on the premises of the Foreign Commissariat where walls were notorious for having ears. Nevertheless, although Litvinov's views must have been well known in the Kremlin, he was allowed to remain in an official function until August 1946, only to be sent into relatively comfortable retirement afterwards. Why was he able to speak his mind for so long in a country where this was a transgression punished swiftly and routinely regardless of rank?

So anomalous does Litvinov's position seem that his own widow, when queried about it in 1974, flatly denied that he could have possibly said what the various Western accounts of his talks claim he did.[2] To be sure, allowance must always be made for a measure of distortion in any account written down from memory—no matter how fresh—after the event rather than recorded simultaneously on the spot. Even so, the different testimonies are unequivocal, independent of one another, and revealing of a consistent train of thought on the part of the Soviet statesman.

Nor were Litvinov's indiscretions of the sort governments sometimes plant in order to test each other's reactions or to influence each other's policies; they expressed truly independent opinion. Can new conclusions therefore be drawn about the extent of permissible dissent during the process of foreign policy formulation even in the heyday of Stalin's autocracy? And if there was a debate, what were the points of disagreement among the participants?

Admittedly, Litvinov after 1939 was no longer one of the inner circle responsible for the conduct of foreign affairs. But he still remained close enough to those who were to speak with authority; what he had to say about their perceptions and decisions therefore amounts to much more than a mere outsider's guess. Indeed, because of his sharp dissent from the conventional Soviet wisdom, he may

[1] They are recounted in the sources herein cited in footnotes 7, 10, 12, 21–26, 28 and 29. There is a brief discussion of Litvinov's dissent in Alexander Dallin, "Allied Leadership in the Second World War: Stalin," *Survey*, Winter–Spring, 1975, pp. 15–16.

[2] Author's conversation with Ivy Litvinov, Hove, Sussex, November 23, 1974.

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be regarded as the first of the rare breed of Russian cold-war revisionists. And because of his unique position he brings into the controversy the kind of inside information about Soviet policy the absence of which has made their Western counterparts' attempts to apportion the blame for the conflict seem like so many exercises in make-believe.

II

Contrary to the legend created by his admirers, Litvinov at the height of his career before World War II did not stand for any particularly altruistic or otherwise morally superior brand of Soviet foreign policy. Like Stalin himself, whom he served for a decade as Foreign Commissar, he was an altogether unsentimental former revolutionary firmly dedicated to the pursuit of Russian *raison d'état*. As such, he was notably out of sympathy with the aspirations of smaller nations, particularly those which history had taught to beware of the Russian neighbor. In 1929, he gave his name to the Litvinov Protocol designed to bring them closer into Moscow's fold. Its deceptively reassuring nonaggression pledge was a device to diminish their reliance upon the West and to convince them about the superfluity of any mutual combinations as well.

Later on, the ascendancy of Hitler occasioned Litvinov's celebrated effort aimed at mobilizing international action to stop the Nazi dictator. Yet again, Russian self-interest was only too palpable in a campaign calculated to shift onto the Western powers the main risks of that uncertain enterprise, while sparing Moscow the dreaded military confrontation with its chief ideological adversary. And if the Soviet architect of collective security sincerely believed in collaboration with the West in the short run, he also did not hide his contempt for an ally his Marxist conviction had taught him was moribund in the long run.

Nor was the Foreign Commissar conspicuous in those days for any nonconformism within the Soviet hierarchy. Most of those tenuously documented instances when he supposedly differed with his superiors on specific policy issues antedated Stalin's absolute rule.[3] As one of a mere handful of old Bolsheviks, Litvinov survived the Great Purge—probably because his removal would have been interpreted abroad as repudiation of the collective security scheme Moscow was then so ardently pursuing. By the same token, he had to go once the ineffectiveness of that scheme had become obvious. But if he lost his job to Molotov in May 1939, this was less because he disapproved—as indeed he did—of Stalin's planned rapprochement with Germany than simply because his previous employment in the pursuit of the opposite course—not to speak of his Jewishness—had made him totally unacceptable to the Nazis.

In February 1941, Stalin underscored his pathetic efforts to deter Hitler's impending attack—alternating gestures of appeasement with those of defiance—by removing Litvinov also from the Party Central Committee—according to the official announcement because of "nonfulfillment of his obligations." Yet at the May Day parade three months later, Litvinov appeared in a place of honor,[4] suggesting that the bankruptcy of the new policy was already evident.

All considered, Litvinov's career had so far been that of one among the autocrat's many replaceable servants; what did distinguish him from the type was—

[3] Henry L. Roberts, "Maxim Litvinov," in Gordon A. Craig and Felix Gilbert (eds.), *The Diplomats, 1919–1939*, Princeton: Princeton University Press, 1953, p. 365.

[4] Arthur U. Pope, *Maxim Litvinoff*, New York: L. B. Fischer, 1943, p. 460.

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apart from his British-born wife—the knowledge of the outside world and the experience in dealing with foreigners which he had acquired during prolonged stays abroad. He was therefore the right person to be chosen to reassure the West once the honeymoon with Germany was over. In a special broadcast shortly after the Nazi invasion of June 1941, he condemned emphatically the notion that any collaboration with Hitler was possible—more emphatically, perhaps, than Stalin, the latest victim of that illusion, would have allowed him had Stalin not been himself so utterly dejected at that time.[5] All the same, the former Foreign Commissar soon celebrated his political comeback when he assumed, on the day of Pearl Harbor, the sensitive post of the new Soviet Ambassador to Washington.

In the spring of 1943, during that murky period of the war when Stalin seemed intent to signal to Berlin his willingness to consider a compromise peace, Litvinov and the other diplomatic protagonist of pro-Western reputation, Ambassador to London Ivan M. Maisky, were ordered back to Moscow.[6] Before his departure from Washington, Litvinov, on May 7, called on Under Secretary of State Sumner Welles. This was the first time he took a Westerner into his confidence to share his anxiety about the future of the alliance he had helped to forge.[7]

The Ambassador complained that he was unable to communicate with Stalin, whose isolation then bred a distorted view of the West and particularly an underestimation of Western public opinion. He assured Welles that once back home he would do his best to improve matters but was not at all hopeful he could. He gave vent to his frustration about the rigidity of the whole Soviet system and especially about Molotov's tight grip on the Foreign Commissariat. He still abstained, however, from any specific criticism of Moscow's policies.

Although no longer in the limelight, Litvinov by no means relapsed into obscurity. Appointed Assistant Foreign Commissar, he took part in the October 1943 conference of foreign ministers in Moscow. On this occasion, he demonstrated his diplomatic skill by fending off Eden's attempts to discourage a Soviet quest for client states.[8] His principal responsibility was now postwar planning, particularly the projected international security organization.

According to a popular myth, Stalin the realist regarded this project as little more than an amusing American folly, the main value of which lay in enabling him to exact from its obstinately idealistic sponsors more substantive concessions in return for his consent. But precisely because of the central role of the organization in the American scheme of things, the issue involved the entire pattern of future relations with the most powerful nation in the world—something on which the security of Russia's expected war gains might well hinge. Thus even though Litvinov's new rank was not elevated, his special assignment was an important one. And it was this assignment that eventually became the catalyst of his dissent.

III

At no time during the war was Stalin's trust in his allies greater—or, rather, his indelible mistrust of them more subdued—than in the wake of the Second

[5] Louis Fischer, *The Great Challenge,* New York: Duell, Sloan and Pearce, 1946, pp. 46–47.

[6] Vojtech Mastny, "Stalin and the Prospects of a Separate Peace in World War II," *American Historical Review,* December 1972, p. 1378.

[7] Memorandum of Conversation by Welles, May 7, 1943, *Foreign Relations of the United States* [hereafter cited *FRUS*] *1943,* III, Washington: GPO, 1963, pp. 522–24.

[8] Summary of the Proceedings of the Twelfth Session of the Tripartite Conference, October 30, 1943, *FRUS 1943,* I, Washington: GPO, 1963, p. 680.

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Front, which his suspicious mind had construed as the litmus test of their good faith. Official Russian statements in the aftermath of the June 1944 Normandy landings eulogized the alliance, exuding confidence in the results of impending common victory. In July, Soviet ideas about the world organization—expected to be one of the main products of that victory—were publicized for the first time in an article which appeared in the Leningrad magazine *Zvezda* under the name of "N. Malinin."[9] And four weeks later, Litvinov privately confirmed the opinion prevalent in Moscow diplomatic circles that he was actually the author.[10]

The salient points of the article published ostensibly for the purpose of discussion reappeared with a stamp of official approval in the August 12 Soviet memorandum for the Dumbarton Oaks conference which was to lay the foundations of the future United Nations.[11] Acknowledging the urgent need to replace the anemic League of Nations with a more vigorous body, both documents stressed that the key to its success was in the proper application of the principle of unanimity. This meant on the one hand that the ability of small nations to make the organization into a vehicle of their selfish interests would be effectively curtailed. On the other hand, however, the pursuit of such interests by the great powers was to be dignified by their prerogative to veto any decisions they disliked. As Litvinov later commented, "this was our way of demanding a guarantee of equality, a guarantee against combinations, and a rejection of the balance of power system."[12]

There were further concerns and aspirations inherent in both the article and the memorandum. The Russians demanded that the organization limit its activities strictly to security matters, especially leaving economic and social issues outside of its purview. Thus their membership would not necessitate exposure of the rigidly controlled but disrupted Soviet economy to the potentially unsettling impact of the more robust free enterprise system of the West. Similarly, the exclusion of social questions from the agenda would help to shelter the Soviet society from undesirable international scrutiny. It would also facilitate Moscow's management of foreign communist parties whose activities could be justified in Marxist terms as resulting from social tensions. But it was the issue of the veto that finally caused the Dumbarton Oaks conference to end in an impasse papered over by high-sounding generalities.

On August 22, when the conference was still in session but its breakdown already loomed on the horizon, Litvinov hinted for the first time to an outsider that a disagreement between his recommendations and the official policy existed. He told Norwegian Minister Rolf O. Andvord that he wished the views he had expressed in *Zvezda* were those of the Soviet government but that unfortunately his government favored a looser international organization.[13]

The Assistant Foreign Commissar further elaborated on those differences in a fascinating off-the-record interview with the American leftist journalist, Edgar

[9] English translation, "Regarding International Security Organization," Enclosure No. 1 to Dispatch No. 719, July 25, 1944, United States Embassy Moscow, Records of the Foreign Service Posts of the Department of State, RG-84, National Archives, Suitland, Maryland.

[10] Harriman to Secretary of State, August 23, 1944, 711.9—Armistice, United States Embassy Moscow, *ibid.*

[11] Memorandum on an International Security Organization, by the Soviet Union, August 12, 1944, *FRUS 1944,* I, Washington: GPO, 1966, pp. 706–11.

[12] Record of interview with Litvinov, by Edgar Snow, October 6, 1944, Russia 1945—President's Secretary's File, RG-13, Franklin D. Roosevelt Library, Hyde Park, New York.

[13] See footnote 10.

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Snow, on October 6.[14] He explained that his original plan had been discarded; instead, at Dumbarton Oaks, Soviet representative Andrei A. Gromyko had pulled out of his pocket an altogether different scheme. Worse still, an attempt had not even been made to consult Washington and London about it in advance. These were, according to Litvinov, the true reasons why the conference turned out to be such a fiasco.

Litvinov's explanation was not entirely fair. He may not have known that the memorandum had been forwarded to the two governments through diplomatic channels a week before the conference opened. Moreover, its contents were not really all that different from those of the *Zvezda* article, so that neither contemporaries nor subsequent authors noticed any break in continuity.[15] But the August 12 document did omit one of Litvinov's original suggestions—that the world organization be reinforced by a special pact binding the Big Three particularly closely together.

The omission might seem all the more surprising since Stalin himself was definitely attracted to the idea of a new *Dreikaiserbündnis,* congenial also to Roosevelt's pet notion of "world policemen." As late as August 9, in a conversation with visiting Polish Premier Stanisław Mikołajczyk, he praised the "sword" about to be forged at Dumbarton Oaks to safeguard future peace.[16] He was, of course, alluding to a prospective concert of the giants rather than to any cacophony of the dwarfs filling the halls of the United Nations by virtue of their sheer numbers. All the same, the Russians abstained from any specific proposal to institutionalize the concert.

Whether there had indeed been a shift of policy—as Litvinov suggested—or whether Moscow had merely vacillated—which is a more likely explanation—its behavior in August 1944 underscored a deeper dilemma: Should the Soviet Union anchor its relationship with the two Western powers in an institutional framework conducive to closer collaboration but implying also greater commitment? Or, should it forego the benefits and responsibilities of such collaboration, seeking instead the greatest possible freedom from compulsion in a loose system built upon the prerogative of veto? New military developments at that time added urgency to the dilemma, and Litvinov provided further commentary about the reasons why his government eventually preferred to choose the latter course.

IV

In the late summer of 1944, a chain reaction was set into motion once the Red Army had opened its drive into countries where it was regarded as a conqueror rather than a liberator. This was a dramatic challenge to Soviet statesmanship to which the regime, never distinguished by generosity or tolerance toward weaker opponents, responded in conformity with its traditions. Understandably enough, its response generated misgivings about its intentions—misgivings in turn conducive to Moscow's reassessment of the alliance as a suitable vehicle of its interests.

[14] See footnote 12.

[15] Alexander Dallin, *The Soviet Union and the United Nations,* New York: Praeger, 1962, pp. 22–23; Thomas M. Campbell, *Masquerade Peace: America's U. N. Policy, 1944–1945,* Tallahassee: Florida State University Press, 1972, pp. 36–37.

[16] Note on the Conversation between M. Mikolajczyk and Marshal Stalin, August 9, 1944, *Documents on Polish-Soviet Relations, 1939–1945,* II, London: Heinemann, 1967, pp. 338–39; Edward J. Rozek, *Allied Wartime Diplomacy: A Pattern in Poland,* New York: Wiley, 1958, p. 247.

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The pattern emerged in all its melancholy logic as the Poles in August attempted to establish in Warsaw an independent government before the imminent arrival of Russian troops, and Stalin in turn proved unwilling to move fast enough to save them from annihilation by the Germans. At the same time, however, he moved only too fast into Romania and proceeded, without any advance notice to his allies, with the conquest of nonbelligerent Bulgaria in early September. This was the time Churchill saw his nightmare of "the Red Army spreading like cancer from one country to another" and Harriman began dispatching to Washington his ever more urgent warnings that the Soviet Union might become "a world bully."[17]

Litvinov, to be sure, did not see the situation in quite the same light. In his interview with Snow, he stated emphatically that he disagreed with his "government on many things, but we are absolutely right about Poland. In fact we have been too lenient if anything." He rather castigated what he regarded as the "revival of British traditional diplomacy in Europe . . . this time fully backed up by America." In his opinion:

> Britain has never been willing to see a strong power on the continent . . . without organizing a counter-force against it. The idea of collaborating with the strong power is alien to her thinking. She is at work in France and the Lowlands doing that already. She will want to use her occupation of Germany for the same ends.

Litvinov was referring especially to the British-sponsored plan for an association of West European nations and had already predicted that "we won't be able to agree on a common program for Germany."

But, cautioning repeatedly that he was speaking merely for himself, the Soviet statesman was by no means inclined to put all the blame on others. Admitting regretfully that "we are drifting more and more in the same direction," he suggested that "diplomacy might have been able to do something to avoid it if we had made our purposes clear to the British and if we had made clear the limits of our needs, but now it is too late, suspicions are rife on both sides." And, trying to account for this conspicuous negligence by his government, he singled out startling deficiencies of some of its leading representatives.

Among the most revealing passages of Litvinov's long chat with Snow was his lament that the Foreign "Commissariat is run by only three men and none of them understand [sic] America or Britain," namely Molotov with his deputies Vyshinsky and Dekanozov. Deploring the trio's disastrously parochial outlook, he commented that Dekanozov, the ex-Ambassador to Nazi Germany, "sat next to Ribbentrop for a year and that's all he knows about foreign countries." Although Litvinov did not mention Stalin by name, he hinted that the supreme leader, too, was prone to certain misconceptions, especially to reading too much into occasional unfriendly statements in the free Western press. And implying that the responsibility for cultivating these misconceptions rested not so much with the dictator himself as with his entourage, he concluded that "absolutely the only way . . . to improve matters" was by direct talks between Stalin and Roosevelt.

[17] Lord Moran, *Winston Churchill: The Struggle for Survival, 1940–1965,* Boston: Houghton Mifflin, 1966, p. 173; Harriman to Hopkins, September 9, 1944, *FRUS 1944,* IV, Washington: GPO, 1966, p. 989.

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The Assistant Foreign Commissar seemed to worry lest the President, too, might not be exposed to similar prejudicial influences by his respective aides. Indicating that the gist of Harriman's recent alarming messages to Washington was no secret among Soviet officials, Litvinov implored Snow not to mention their conversation to anyone in Moscow, especially not to the American Ambassador. Snow complied. Only after his return to the United States two months later did he send the record of the interview directly to Roosevelt. The President replied graciously that he was "tremendously interested," whereupon the document was filed without further action.[18]

But whatever the uncanny influence of his camarilla, Stalin himself did not seem to accept readily the disturbing proposition that his subjugation of East-Central Europe would necessarily lead to a clash with the West. Indeed, his November 6, 1944 speech conveyed in especially effusive terms a faith in the indestructibility of the alliance as the foundation of the postwar order.[19] And a month later, Litvinov was given the opportunity to further develop his thoughts about the preconditions of that order. In a second "Malinin" article, he focused on "regionalism," which, as he had hinted to Snow, was another matter about which he differed with those who stood between him and Stalin.[20]

Litvinov advocated the creation of regional groupings within the framework of the United Nations but otherwise under the aegis of the great powers with paramount interests in the respective regions. He took pains to emphasize that he did not mean spheres of influence in which "from the point of view of peace nothing alluring can be found." It was different with "security zones" which he insisted would entail only mutually beneficial military arrangements between the great and the small powers. No matter how dubious this distinction, it was suggestive of a genuine concern lest excessive preoccupation with security lead to unrestrained competition and ultimately the partition of Europe into hostile blocs. The author pointedly warned that "by no means all states need enter one or another of the zones."

While directed primarily against the much-discussed West European bloc under British auspices, the warning applied more immediately to the Soviet Union. For Moscow, increasingly heavy-handed in manipulating the politics of the rapidly expanding area under its military control, had been carving out in East-Central Europe the very sphere of influence Litvinov loathed. At Yalta, Stalin behaved as if he believed the West had acquiesced to such practices—a misconception nourished in turn by his allies' negligence in making sufficiently clear to him what *their* purposes and the limits of *their* tolerance were. But once he went ahead and they remonstrated, the slide to hostility that Litvinov had predicted inevitably ensued.

After 1944, the Cassandra in the Foreign Commissariat never again found an outlet in print. The next time he opened his heart to a Western visitor—on April 5, 1945, to Cyrus L. Sulzberger of *The New York Times*—he sounded like "a

[18] Snow to Roosevelt, December 28, 1944, and Roosevelt to Snow, January 2, 1945, Russia 1945—President's Secretary's File, RG-13, Franklin D. Roosevelt Library.

[19] Speech of November 6, 1944, *Moscow News,* November 7, 1944.

[20] N. Malinin, "K voprosu o sozdanii mezhdunarodnoi organizatsii bezopasnosti" [The Question of the Establishment of an International Security Organization], *Voina i rabochii klass,* December 15, 1944, pp. 10–13.

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regular Jeremiah, full of gloom."[21] He mused that "first the Western powers make a mistake and rub us the wrong way. Then we make a mistake and rub you the wrong way."[22] He was now thoroughly pessimistic—about the prospects of the United Nations and about the whole future course of East-West relations.

V

If Litvinov had so far attributed the spiraling cycle of action and reaction mainly to mutual misperception, for which he had held the West as much responsible as the East (if not more), he was soon to revise his estimate. The end of the European war, far from making the limits of Russia's goals clear (as he had wished), witnessed instead an expansion of its desiderata beyond those already on record: territory and bases in Turkey, a share in the administration of Italy's former African colonies, a role in the western Mediterranean. When Snow again came to Moscow in June 1945, he therefore heard from Litvinov a very different diagnosis of the incipient cold war.

Having asked the rhetorical question, "Why did you Americans wait till right now to begin opposing us in the Balkans and Eastern Europe?" the veteran diplomat also provided an answer: "You should have done this three years ago. Now it's too late and your complaints only arouse suspicion here."[23] Thus Litvinov finally arrived at an interpretation which was as independent as it was eminently fair: his country's striving for power and influence too far in excess of its reasonable security requirements was the primary cause of conflict; the West's failure to resist that effort early enough was an important secondary one.

The Soviet statesman continued on the same pessimistic note in a subsequent talk with none other than Harriman, whom he had mistrusted so much only a year earlier. Having met him accidentally during a Moscow theater performance in November 1945, Litvinov deplored the recent breakdown of the London conference of foreign ministers. Now he no longer saw any hope of reversing the steady trend toward confrontation. Asked by the Ambassador what the United States could do to satisfy the Soviet Union, he replied: "Nothing." And when further questioned about what his own government could do to improve matters he gave the same curt answer, adding the enigmatic qualification: "I believe I know what should be done but I am powerless."[24] Shortly afterwards, the foreign ministers' decision to hold their next meeting in the Soviet capital briefly elated the skeptic, but by May of the next year his gloom was deeper than ever before: "I now feel that the best that can be hoped for is a prolonged armed truce."[25]

On June 18, 1946, Litvinov gave another lengthy confession of his heresy to CBS correspondent Richard C. Hottelet, similar to that given to Snow almost two years earlier.[26] Some of his themes remained the same: the belief that only a great-power condominium of the world could save the peace, and the conviction

[21] Cyrus L. Sulzberger, *A Long Row of Candles: Memoirs and Diaries (1934–1954)*, New York: Macmillan, 1969, p. 253.

[22] Sulzberger, "Litvinov a Lonely Jeremiah Who Foresaw the 'Cold War,'" *The New York Times*, January 3, 1952, p. 9.

[23] Edgar Snow, *Journey to the Beginning*, London: Gollancz, 1959, p. 357.

[24] Harriman to Secretary of State, November 22, 1945, *FRUS 1945*, V, Washington: GPO, 1967, p. 921.

[25] Harriman to Secretary of State, December 3, 1945, *ibid.*, p. 922; Walter Bedell Smith to Secretary of State, May 24, 1946, *FRUS 1946*, VI, Washington: GPO, 1969, p. 763.

[26] Series of articles by Richard C. Hottelet in *The Washington Post*, January 21, 22, 23, 24, 25, 1952; cf. W. B. Smith to Secretary of State, June 21, 1946, *FRUS 1946*, VI, pp. 763–65.

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that a partition of Germany was inevitable. But his other views showed vividly how his dissent had grown as his direst predictions materialized.

The disillusioned prophet of collective security now singled out as the root cause of all evil Moscow's reversion to the antiquated concept of security through the possession of a land mass. Indeed, he made the alarming suggestion that its appetite might be insatiable. Hottelet could not believe his ears as his host, chafing in the ornate Soviet foreign service uniform, gravely pronounced the damning judgment: "If the West acceded to the current Soviet demands it would be faced, after a more or less short time, with the next series of demands." Having been made privy to such a shocking affidavit, the correspondent fully expected to be arrested as soon as he set foot on the street, or else to hear within the next few days that Litvinov had suddenly died, most likely in an accident.

Nothing so drastic happened, at least not immediately, but two months later the dissenter was finally dismissed and pensioned. In retrospect, Hottelet has speculated whether Litvinov might not have received advance notice of this shortly before the conversation; for during the interview, which took place in Litvinov's office on a hot summer day, a fire was blazing in the fireplace as if the old man had been in the process of burning his papers.[27] But it is more plausible that the talk in which he set the record of his outspokenness was also the last straw that broke the camel's back.

In September 1946, the pensioner was seen at a diplomatic reception, apparently pleased that the "anomalous situation which he had occupied for such a long time had been rectified by his release from duties."[28] But even after that, he could not resist speaking his mind if an opportunity arose. On another social occasion in February of the next year, he told British journalist Alexander Werth that at the end of the war Moscow had had two choices: either to cash in on the goodwill it had accumulated in the West, or to embark alone on the elusive quest for absolute security. Litvinov lamented that "they"—meaning those wily men in the Kremlin who would not listen to him—had refused to believe that goodwill could possibly constitute the lasting basis of any policy. Instead they had opted for the second alternative, trying to grab "all they could while the going was good."[29]

As Werth was listening, Vyshinsky passed by, giving the speaker an exceedingly dirty look, and that was the end, as far as we know, of Litvinov's indiscretions. A quarter of a century later, a revealing postscript to this extraordinary episode was provided by as authoritative a source as Nikita S. Khrushchev, by then himself out of grace and confiding his own unconventional views to a tape recorder for posterity's sake. He reported that when secret files had been examined and police officers questioned after Stalin's death they had revealed that "Beria's men" had devised a plan to dispose of Litvinov in a particularly dastardly way: like his fellow-Jew, actor Solomon M. Mikhaels, he was to be thrown in front of a truck and run over.[30]

The reasons why the dissenter was spared this gruesome end and eventually allowed to die of natural causes in 1952 may have been purely accidental. But they may have also been the result of his undoubtedly unique relationship with Stalin—a relationship which alone can account for his having survived for so long

[27] Author's conversation with Richard C. Hottelet, United Nations, New York, October 19, 1974.
[28] Durbrow to Secretary of State, September 4, 1946, *FRUS 1946,* VI, p. 777.
[29] Alexander Werth, *Russia at War, 1941–1945,* New York: Dutton, 1964, p. 938.
[30] *Khrushchev Remembers,* Boston: Little, Brown, 1970, p. 262.

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in the first place. Conceivably, the dictator—himself fundamentally insecure in the depth of his mind—respected what Louis Fischer has described as Litvinov's "intestinal courage."[31] It is even more probable that Stalin was impressed by the diplomat's definite reluctance to put any blame on him personally: according to Ilya Ehrenburg, Litvinov was always reticent in expressing an opinion about the boss.[32] But none of these personality traits would have counted if it had been in conflict with political considerations; it is therefore on the political level that our main conclusions must be drawn.

VI

The spectacular manifestations of Litvinov's dissent should not obscure the extent of his basic agreement with Stalin. There was no quarrel between these two devotees of power politics about the axiom that the Soviet Union could and indeed should advance its international status by whatever means it saw fit; only about the fitness of the different means did they come to disagree. Neither saw anything wrong with twisting the arms of weaker nations—except, that is, if relations with the stronger ones might suffer excessive damage as a result. Thus, no matter how appealing his features as a man, Litvinov as a politician wore no halo.

The issue which vexed the Soviet leadership toward the end of World War II was not the desirability of an empire—that was taken for granted—but rather the ways and means of its possible integration into an international order compatible with the Western notions. Litvinov regarded Anglo-American support of any settlement his government would wish to enforce in East-Central Europe as indispensable for Russia's true security. And, keenly aware as he was of the depth of Western sympathy for his country's security needs, he was also convinced that such support could be obtained if only the limits of those needs were stated sensibly and clearly enough.

Nor was Stalin—a cautious tyrant despite all his excesses—rushing headlong to set his exhausted country on a collision course with its mighty coalition partners. Though inclined by nature and experience to expect the worst, he was not so reckless as to ignore all opportunities to avert it. Eager to have the cake of Western cooperation while eating his East Europeans, too, he temporized in search for a solution. Meanwhile it was in his paramount interest not to discourage subordinates from formulating their ideas on the subject—certainly not such knowledgeable ones as Litvinov was.

This was all the more advisable since the men in the dictator's closer entourage, particularly Molotov and his assistants, had a vested interest in stressing obstacles to any long-term accommodation with the West. After all, they were the ones entrusted with the actual conduct of policy and, consequently, vulnerable to being singled out—in conformity with Stalin's familiar habit—as scapegoats for its possible failure. As long as their taskmaster did not make up his mind, they were therefore the primary agents of that fateful drift which Litvinov deplored and to which Stalin himself eventually succumbed.

Thus Litvinov's testimony supports the conclusion that the Soviet leaders realized they had options and weighed them in good awareness of the long-term consequences. Reduced to essentials, the choice was between a policy of low ten-

[31] Louis Fischer, *The Life and Death of Stalin,* New York: Harper, 1952, p. 55.
[32] Llya Ehrenburg, *Post-War Years, 1945–1954,* London: Macgibbon and Kee, 1966, p. 278.

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sion, which would give a chance for the alliance to continue as the bulwark of the postwar order, and a policy of high tension, conducive to its ultimate breakdown. Litvinov's most original contribution to the cold-war debate is his contention that Moscow resorted to the latter course not so much because the Anglo-American attitude had stiffened—as the Western revisionists would have it—but rather because it had not stiffened enough. The choice, to be sure, was predetermined—not by external factors however, but by the Stalinist system and the mentality of the leaders it bred.

Under such circumstances, of course, Litvinov's ideas were the cry of a prophet in the wilderness. His was a mature notion that Soviet power and influence could best be promoted by cultivating areas of common interest by positive, albeit carefully circumscribed, collaboration with the West, rather than by allowing exaggerated suspicions to generate a drift toward confrontation. And it should also come as no surprise that, once the cold war had run its course, Stalin's successors would resurrect the Litvinov alternative for their brand of détente.

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COMMENT AND CORRESPONDENCE

Arthur Lall (former Permanent Representative of India to the United Nations) comments:

For the most part, Tom Farer's analysis of the prevailing attitudes of the Third World countries in your October 1975 issue ("The United States and the Third World: A Basis for Accommodation") is strikingly accurate. He is right to assign the central place to anticolonialism, and to highlight the conviction of the developing countries that in dignity and self-respect all nations must be treated as equals.

However, in three major respects I believe he does not take into account all the relevant facts and factors.

The first major point is simply that it is not just in the last decade that the United States has ceased to occupy its former position of power at the United Nations. As early as 1958 the United States was unable to develop a two-thirds majority for the Western-sponsored draft resolution, which it favored, on the landing of the Marines in Lebanon. Again in 1960 the United States was on the negative side in regard to several very significant resolutions, including its abstention, along with such states as South Africa and Salazar's Portugal, on the declaration on the ending of colonialism. And, in 1964, at the first UNCTAD conference, the United States was on several important matters further away from the developing world than most of the countries of Western Europe.

The next major omission in Mr. Farer's article is that he identifies only three issues as giving shape to the North-South confrontation (economics, the racial issue in southern Africa and the U.S. role in the Arab-Israeli conflict). There is a fourth issue which has loomed recently and which the Third World countries regard as being on a par—at least potentially—with the other three. Most of these countries see a tendency in recent U.S. foreign policy to work with a narrow group of states to direct the affairs of the world: these include, apart from the United States itself, Western Europe, China, Japan and the U.S.S.R. This impression was recently fortified by the Secretary of State's speech to the General Assembly on September 22, 1975. He stressed the significance of U.S. relations with the aforenamed countries and did not so much as mention any of the countries or regions of Asia (apart from the Middle East, China and Japan), thereby ignoring the majority of the peoples of Asia; and he was equally silent about Black Africa. There was talk of worldwide cooperation but enormous holes in the design when it came to geographical specifics.

The third major criticism of Mr. Farer's analysis which I would offer falls in the economic sphere. There is some weight in his arguments countering the nonaccommodationists, who hold broadly that the poor have made their own poverty and must struggle with it themselves. But I believe he misses the main point, which is that the demand of the Third World is not primarily for a larger share of the production of the developed countries (except through more equitable terms of trade) but much more for an active and effective passing on of technology and techniques—even those of yesteryear. The clamor is for an increase of world production by the diffusion of technology—thus paving the way for increased well-being in the Third World. These countries would like to see the developed countries accommodate the view that this achievement would be in the best interest of all—including the material interest of the developed countries. When Mr. Farer offers suggestions on trade policies, he is, I think, back on target.

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On the specific question of the Palestinians I believe Mr. Farer's concluding remarks are particularly constructive and would find much Third World support, provided that some urgency is displayed by U.S. policy in moving in this direction. This is not asking too much. Mr. Kissinger has frequently referred to the need to maintain movement toward a Middle East settlement.

Mr. Farer replies:

Ambassador Lall's reminder is useful. In general, the United States has been less accommodating than most West European states on the issues of political economy that exercise the Third World. Our rigidity is the lawful progeny of self-interest and ideology. The virtues of the welfare state have never been fully integrated into the national myth structure. An American politician would rather do the hustle with a cobra than characterize himself as a "democratic socialist." Our psyche is strained by the reality of a society whose rich organizational complexity contradicts the ideal that each man alone does have a bloody decent chance if only he has the will to go along with it. Naturally we have flinched from the very idea of an officially organized international economy. Humphrey Bogart lives!

The Ambassador's second point evidences my failure to follow one-half of the encomium to a great American judge: "Even when he was clearly wrong, he was always wrong clearly." I thought I said clearly that the United States could moderate the confrontation by drawing the major Third World states into the charmed circle of the international political and economic directorates.

Finally, if I understand him correctly, Ambassador Lall invokes technology transfer as the true essence of the economic issue. That is, I think, merely another and less satisfactory way of casting the same complex of issues. It ignores altogether the question of who will manage the international economy. And with equal efficiency it obscures the question of who will pay for the transfer of technology. Technology is, after all, a major element of national wealth. It is the product of economic activity. So if it is transferred rent free, there is necessarily a redistribution of existing stocks of wealth. But when transferred through the medium of the multinationals and commercial licenses, it may simply permit the entry of some Third World countries into the growth sectors of the international economy. Technology is thus subsidiary to the central difference between redistribution of existing wealth and redistribution of newly created wealth. On this issue, the Third World does not speak with a single voice.

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RECENT BOOKS ON INTERNATIONAL RELATIONS

Edited by Elizabeth H. Bryant

General: Political and Legal

Robert Gilpin

HANDBOOK OF POLITICAL SCIENCE, VOLUME 8: INTERNATIONAL POLITICS. Edited by Fred I. Greenstein and Nelson W. Polsby. Reading (Mass.): Addison-Wesley, 1975, 450 pp.

This set of essays, like those in its seven companion volumes, assesses the status of contemporary scholarship in political science. Topics in the volume on international politics include theory of international relations, research frontiers, the world political system, national security affairs, interdependence and integration, and international law. On balance, a series of excellent essays.

CAUSAL EXPLANATION AND MODEL BUILDING IN HISTORY, ECONOMICS, AND THE NEW ECONOMIC HISTORY. By Peter D. McClelland. Ithaca: Cornell University Press, 1975, 290 pp. $12.50.

In a sophisticated and wide-ranging critique of causal explanation in history and economics, the author concludes that while generalizations are necessary for our understanding of social phenomena, they are accompanied by a high degree of uncertainty in their application. Excellent bibliography.

ARMS, ALLIANCES AND STABILITY: THE DEVELOPMENT OF THE STRUCTURE OF INTERNATIONAL POLITICS. By Partha Chatterjee. New York: Halsted Press, 1975, 292 pp. $19.75.

Although mis-titled, an interesting theoretical analysis of the nature and evaluation of the international system and its contemporary "contradictions" from the perspective of a Third World Marxist. Chatterjee's critique of the Sino-Soviet split in terms of the "law of uneven socialist development" is especially noteworthy.

GAME THEORY AND POLITICS. By Steven J. Brams. New York: Free Press, 1975, 312 pp. $6.95 (Paper).

A good introduction to game theory and its application to political behavior: international relations, voting, coalitions, and elections.

THE MORALITY OF CONSENT. By Alexander M. Bickel. New Haven: Yale University Press, 1975, 156 pp. $10.00.

Arguing that "liberal absolutism" led inevitably to the corruption of Watergate, this posthumous work by the distinguished constitutional conservative admonishes court and scholar alike to reassert the primacy of process and consent.

THE STRATEGY OF TREATY TERMINATION: LAWFUL BREACHES AND RETALIATIONS. By Arie E. David. New Haven: Yale University Press, 1975, 324 pp. $20.00.

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The author of this timely history and assessment of the *rebus sic stantibus* doctrine concludes that increasing international interdependence and community may mitigate conflicts arising from treaty violations.

THE PUBLIC ORDER OF OCEAN RESOURCES: A CRITIQUE OF THE CONTEMPORARY LAW OF THE SEA. By P. Sreenivasa Rao. Cambridge: MIT Press, 1975, 313 pp. $27.50.

A useful analysis of the status of the law of the sea, emphasizing marine resource exploitation and the conflicting claims of different categories of states. Valuable documentation and bibliography.

THE ANGELS' GAME: A HANDBOOK OF MODERN DIPLOMACY. By William Macomber. New York: Stein and Day, 1975, 225 pp. $10.00.

Intelligent reflections on the diplomatic profession and the tasks of diplomacy today, by the U.S. Ambassador to Turkey, which contain sensible suggestions for improving the making and conduct of American foreign policy.

UNESCO AND WORLD POLITICS: ENGAGING IN INTERNATIONAL RELATIONS. By James P. Sewell. Princeton: Princeton University Press, 1975, 384 pp. $18.50.

Seeking to "see the world in a grain of sand" through a study of UNESCO, Sewell's well-written and significant contribution to the literature analyzes why and how governments engage in intergovernmental organization and the effects of such participation on the international system.

IDOLS OF THE TRIBE: GROUP IDENTITY AND POLITICAL CHANGE. By Harold R. Isaacs. New York: Harper & Row, 1975, 242 pp. $10.95.

A sensitive essay which explores the causes and unfortunate consequences for society and the individual of intensifying group and ethnic identification both in the United States and abroad.

WITNESS TO POWER. By Marquis Childs. New York: McGraw-Hill, 1975, 277 pp. $9.95.

The theme that power corrupts runs throughout Pulitzer Prize winner Child's engaging memoirs of his encounters with political events and personalities.

General: Military, Technological, and Scientific

Andrew J. Pierre

SECURITY IN THE NUCLEAR AGE: DEVELOPING U.S. STRATEGIC ARMS POLICY. By Jerome H. Kahan. Washington: Brookings Institution, 1975, 361 pp. $12.50 (Paper, $5.50).

Although no single work dealing with the strategic arms balance can be truly definitive, given the dynamics of the arms race, this impressive volume is as comprehensive and balanced a work as one is likely to find for some time. The first half, dealing with the evolution of U.S. strategic policy for the past two decades, is an excellent complement to John Newhouse's description of the politics of SALT I in *Cold Dawn*. In the second half, Kahan sets out analytically the basic issues of the strategic debate, making a lucid case for alternative nuclear postures and policies, while placing himself generally in the middle ground.

THE UNITED STATES, CHINA, AND ARMS CONTROL. By Ralph N. Clough and others. Washington: Brookings Institution, 1975, 153 pp. $8.95 (Paper, $2.95).

A well-reasoned and persuasive argument for seeking to involve China in a bilateral arms-control dialogue with the U.S. despite Peking's reluctance to engage in multi-

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lateral negotiations. The authors have a tempered approach toward Chinese military developments, not believing them to be unduly aggressive or expansionist. Yet they see considerable merit in a reciprocal U.S.-China pledge not to be the first to use nuclear weapons against the other, and the establishment of a nuclear-free zone on the Korean peninsula. A good starting point in the "dialogue" might be an early agreement to reduce the risk of accidental or unauthorized use of nuclear weapons. An important book.

JAPAN'S NUCLEAR OPTION: POLITICAL, TECHNICAL, AND STRATEGIC FACTORS. By John E. Endicott. New York: Praeger, 1975, 289 pp. $20.00.
STRESSES IN U.S.-JAPANESE SECURITY RELATIONS. By Fred Greene. Washington: Brookings Institution, 1975, 110 pp. $2.50 (Paper).

The Japanese outlook on defense remains an important linchpin of the Asian political balance. Endicott, on the faculty of the U.S. Air Force Academy, reviews the nuclear question with considerable skill and background knowledge, concluding that a decision to embark on a nuclear weapons program will be postponed until there is a serious direct threat to Japanese security that cannot be countered by bilateral or multilateral means. Greene's succinct analysis is a valuable updater on the security debate in Japan and emphasizes the importance of keeping overall Washington-Tokyo relations on an even keel.

SOLDAT-CITOYEN: ESSAI SUR LA DÉFENSE ET LA SÉCURITÉ DE LA FRANCE. By Charles Hernu. Paris: Flammarion, 1975, 258 pp. Fr. 30.

The leading theoretician on security in the French Socialist Party describes intelligently what a defense policy of the Left would look like—and in the process gives the reader insights into the unsettled disagreements within the Party. Mitterrand's France, one concludes, would differ from the direction of present French policy in degree rather than in kind.

THE WAR OF ATONEMENT: OCTOBER, 1973. By Major-General Chaim Herzog. Boston: Little, Brown, 1975, 300 pp. $10.00.

A fascinating insider's account of Israel's side of the Yom Kippur War by a former senior general officer. Herzog, recently appointed Israel's Ambassador to the United Nations, is fair but unafraid to voice criticisms of his country's military and political leaders.

CAN AMERICA WIN THE NEXT WAR? By Drew Middleton. New York: Scribner, 1975, 271 pp. $8.95.

The answer depends, of course, on the type of war. But this experienced military commentator is pessimistic as regards a conventional war in Europe, and only less so elsewhere to the extent that the Soviet Union does not intervene in force. A plea for vigilance and national unity in a still dangerous world.

THE SUPERWARRIORS: THE FANTASTIC WORLD OF PENTAGON SUPERWEAPONS. By James W. Canan. New York: Weybright and Talley, 1975, 375 pp. $12.50.

Up-to-date and highly critical, this is a veteran defense journalist's tour of the disputes on defense policy and weapons swirling within and around the Pentagon.

THE YEARS OF MACARTHUR: VOLUME II, 1941–1945. By D. Clayton James. Boston: Houghton Mifflin, 1975, 939 pp. $15.00.

This second volume of a professional historian's biography is an exhaustive story of MacArthur's role in the Pacific War from Clark Field in the Philippines on Pearl

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Harbor Day to his arrival in Tokyo Bay on September 2, 1945. The attitude toward MacArthur is generally admiring, though not uncritical.

BODYGUARD OF LIES. By Anthony Cave Brown. New York: Harper & Row, 1975, 947 pp. $15.95.

Brimming with names and facts (William Colby as a 24-year-old OSS agent in occupied France), this is a long and intriguing account by a British journalist of the spying, resistance, and, above all, intelligence deception, that probably sealed the outcome of the Second World War.

THE FIRST CASUALTY. FROM THE CRIMEA TO VIETNAM: THE WAR CORRESPONDENT AS HERO, PROPAGANDIST, AND MYTH MAKER. By Phillip Knightley. New York: Harcourt Brace Jovanovich, 1975, 465 pp. $12.95.

The prism through which we have often formed our perceptions, the war correspondent plays a key role—usually, as Knightley demonstrates, on the side of truth, but capable of being tempted by advocacy. Even with the best of intentions he can become a victim of censorship and propaganda. A lively, highly readable book, full of vignettes from the battlefields.

TITANS OF THE SEAS. By James H. Belote and William M. Belote. New York: Harper & Row, 1975, 336 pp. $12.95.

ELECTRONICS AND SEA POWER. By Vice-Admiral Sir Arthur Hezlet. New York: Stein and Day, 1975, 318 pp. $15.00.

Two books for naval history buffs. The first reviews the battles of the Pacific during World War II from the perspective of the attacks led by Japanese and American aircraft carriers and their task forces; the second views naval warfare from the invention of the wireless and radar to satellite communications.

THE OTHER ARMS RACE: NEW TECHNOLOGIES AND NON-NUCLEAR CONFLICT. Edited by Geoffrey Kemp, Robert L. Pfaltzgraff, Jr., and Uri Ra'anan. Lexington (Mass.): Lexington Books, 1975, 218 pp. $14.50.

A most valuable survey of the important revolution now underway in the technology of non-nuclear weapons. The "smart bombs" used in the closing stages of the Vietnam War and the antitank guided missiles employed in the Yom Kippur War are forerunners of a new generation of "precision-guided munitions." The authors examine the political as well as the strategic implications of the new defense technologies in a non-polemical and yet intellectually provocative manner.

TECHNOLOGY AND INTERNATIONAL POLITICS: THE CRISIS OF WISHING. By William R. Kintner and Harvey Sicherman. Lexington (Mass.): Lexington Books, 1975, 177 pp. $14.00.

A concise review of the impact of modern technology on the world system. The authors rightly recognize that technological development is neither a panacea nor a catastrophe, and warn that while it leads toward growing interdependence, it also sharpens political competition among nations.

SCIENCE POLICIES OF INDUSTRIAL NATIONS. Edited by Dixon Long and Christopher Wright. New York: Praeger, 1975, 232 pp. $17.50.

Insightful and valuable case studies dealing with the Soviet Union, Britain, France, Japan, Sweden, and the United States. The authors, recognized experts on the scientific establishment of the countries they discuss, have little difficulty in holding the reader's attention despite the lack of comparative analysis.

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General: Economic and Social

William Diebold, Jr.

DÉTENTE AND DOLLARS: DOING BUSINESS WITH THE SOVIETS. By Marshall I. Goldman. New York: Basic Books, 1975, 337 pp. $15.00.

The best account of the wheat deal, interesting material on negotiations by American businessmen in Moscow, and a questioning inquiry into possible new forms of U.S. government-business relations in American-Soviet trade are among the high spots of this first-rate book. Cautious, "critical, sometimes skeptical" are the author's terms to describe his advocacy of more trade with the U.S.S.R.

U.S. POWER AND THE MULTINATIONAL CORPORATION: THE POLITICAL ECONOMY OF FOREIGN DIRECT INVESTMENT. By Robert Gilpin. New York: Basic Books, 1975, 291 pp. $10.95.

A political scientist weighs the costs and benefits of private foreign investment for the United States and other countries, using a neo-mercantilist scale (and perhaps not even "neo"). He recommends selective controls and taxation to carry out a trade-dominated rather than an investment-dominated strategy for the United States. One does not have to agree with him to believe that the clarity of the argument, the fair statement of contrary views, and the comprehensiveness of the approach make this one of the best additions for some time to the literature of the multinationals.

UNE MULTINATIONALE FRANÇAISE: PECHINEY UGINE KUHLMANN. By Michel Beaud, Pierre Danjou, and Jean David. Paris: Seuil, 1975, 287 pp. Fr. 32.

Case studies of multinationals are very welcome; so would be more objectivity than this one shows. The authors' rejection of capitalism and the results that flow from the dominance of the profit motive lead them to predictable judgments, including a proposal for nationalization. Nevertheless, this discussion of the mergers, investments, diversification, and practices of France's aluminum-copper-chemicals-steel conglomerate has a great deal of interest.

HOW IT ALL BEGAN: ORIGINS OF THE MODERN ECONOMY. By W. W. Rostow. New York: McGraw-Hill, 1975, 264 pp. $11.50.

According to Rostow, genesis, for the international economy of the 19th and 20th centuries, is a story of the combining of science, technology, and concepts under political and economic conditions that made possible self-sustaining growth. The effort to document the thesis produces an historical synthesis of great sweep and attraction.

MONEY: WHENCE IT CAME, WHERE IT WENT. By John Kenneth Galbraith. Boston: Houghton Mifflin, 1975, 324 pp. $10.00.

The quaint and rather picturesque history of money lends itself well to Professor Galbraith's lively style and his bent toward the unorthodox and experimental. Direct recollection adds to the restatement of his views of what has gone wrong in the last few decades. International monetary affairs are largely confined to the London Conference of 1933, the building of the Bretton Woods structure and its dilapidation.

THE SEVEN SISTERS: THE GREAT OIL COMPANIES AND THE WORLD THEY MADE. By Anthony Sampson. New York: Viking, 1975, 334 pp. $10.00.

More than half this book is a first-rate popular history of the international oil industry, in which personalities, drama, and local color are arranged around some central ideas. The more detailed account of the events of recent years, while inevitably interesting, is less clear-cut and less persuasive.

FOREIGN TRADE REGIMES AND ECONOMIC DEVELOPMENT. New York: National Bureau of Economic Research, 1975 (New York: Columbia University Press,

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distributor). V. III: ISRAEL. By Michael Michaely. 219 pp. $12.50. V. V.: THE PHILIPPINES. By Robert E. Baldwin. 165 pp. $10.00.

The very different stories of how Israel and the Philippines have used import controls and exchange rate measures to promote their development are very ably analyzed in the latest volumes of this important new series.

COPPER: THE ANATOMY OF AN INDUSTRY. By Sir Ronald Prain. London: Mining Journal Books, 1975, 298 pp. £8.75.

Against a background of history, technology, and geography, we are given a succinct, lucid account of how the world copper industry works—or has worked in recent years. A veteran of the business, Sir Ronald is optimistic about future supply and demand and sounds far more relaxed about host governments than some of his colleagues.

PLANNING, POLITICS AND PUBLIC POLICY: THE BRITISH, FRENCH AND ITALIAN EXPERIENCE. Edited by Jack Hayward and Michael Watson. New York: Cambridge University Press, 1975, 496 pp. $37.50.

The incipient debate on planning in the United States evaporates into generalities when compared with this many-sided volume that looks at industrial policy, land-use, employment, regions, transport, and, above all, the governmental and decision-making processes that have shaped planning and been shaped by it.

THE ROOTS OF INFLATION: THE INTERNATIONAL CRISIS. By Gardiner C. Means and others. New York: Burt Franklin, 1975, 315 pp. $15.00.

Long a critic of "administered pricing," the veteran Gardiner Means is here joined by a diverse group of economists who examine American and European experience to stress how business structure, market power, and cost-push elements make inflation more than a phenomenon of excess demand.

INTERNATIONAL MONETARY REFORM AND THE DEVELOPING COUNTRIES: THE RULE OF LAW PROBLEM. By Gilbert P. Verbit. New York: Columbia University Press, 1975, 335 pp. $20.00.

Exchange controls breed corruption, concealment of standards, and the arbitrary use of power, with the result that the rule of law is undermined, especially in developing countries. That is the message of this well-argued book that uses a great deal of interesting material to demonstrate what quite a few observers have believed for some time.

THE BENEFITS AND COSTS OF IMPORT SUBSTITUTION IN INDIA: A MICROECONOMIC STUDY. By Anne O. Krueger. Minneapolis: University of Minnesota Press, 1975, 140 pp. $12.50.

An ingenious and original study, under difficult conditions, that throws much light on the initial advantages and long-run dangers of a set of policies designed to create an automotive industry in India.

A SEARCH FOR SOLVENCY: BRETTON WOODS AND THE INTERNATIONAL MONETARY SYSTEM, 1941–1971. By Alfred E. Eckes, Jr. Austin: University of Texas Press, 1975, 355 pp. $10.00.

A very readable history of the creation of the Fund and Bank, using some documentary material not drawn on by others. A good reminder of how the American bankers fought the U.S. government on the Bretton Woods agreements.

INTERNATIONAL MARINE ENVIRONMENT POLICY: THE ECONOMIC DIMENSION. By Charles S. Pearson. Baltimore: Johns Hopkins University Press, 1975, 127 pp. $9.00 (Paper, $2.65).

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A rigorous economic analysis that stresses the need for government to regulate pollution and to allocate its costs and burdens, but to do so mostly by measures that operate through prices and taxes.

The United States

Gaddis Smith

SPECIAL ENVOY TO CHURCHILL AND STALIN, 1941–1946. By W. Averell Harriman and Elie Abel. New York: Random House, 1975, 595 pp. $15.00.

An important memoir, modeled on Stimson and Bundy's *On Active Service in Peace and War* (1948). Mr. Abel and an assistant prepared the basic narrative, drawing on Mr. Harriman's private papers. Mr. Harriman reviewed the text and added comment and recollections from the perspective of 1975. The book adds details to our understanding of the diplomacy of World War II, although Mr. Harriman's role and conclusions have long been well known.

THE CONDUCT OF UNITED STATES FOREIGN POLICY IN THE NATION'S THIRD CENTURY. By Bayless Manning. Claremont (Calif.): Claremont Colleges, 1975, 130 pp. $4.50.

Lectures aimed at a mature undergraduate audience, these essays pull together central themes of today and tomorrow in a highly readable and informative way, with emphasis on the question of public support and understanding. (The essay on goals and objectives in American foreign policy has been adapted into an article in this issue of *Foreign Affairs*.) *W.P.B.*

A FORD, NOT A LINCOLN. By Richard Reeves. New York: Harcourt Brace Jovanovich, 1975, 212 pp. $8.95.

A sprightly, irreverent, and decidedly uncomplimentary chronicle of the Gerald Ford presidency. The author's gloomy conclusion: that the President is a reflection of the political inertia and intellectual emptiness of the people.

A PRESIDENTIAL NATION. By Joseph A. Califano, Jr. New York: Norton, 1975, 338 pp. $9.95.

The unbalanced growth of presidential power has been the subject of dozens of volumes, most eminently forgettable. The author's experience as chief domestic affairs adviser to Lyndon Johnson makes this an exception and an important memoir. His recommendations include a six-year presidential term.

THE HARD YEARS: A LOOK AT CONTEMPORARY AMERICA AND AMERICAN INSTITUTIONS. By Eugene J. McCarthy. New York: Viking, 1975, 229 pp. $8.95.

Elegant, short (40 within 213 pages) essays on what is wrong and sometimes right with American "institutions, operations, principles," and leaders.

WASHINGTON JOURNAL: THE EVENTS OF 1973–1974. By Elizabeth Drew. New York: Random House, 1975, 428 pp. $12.95.

Meticulous, day-by-day observations by an experienced journalist. After only two years, most readers will need to make a special effort to believe that such extraordinary events really took place.

FROM THE DIARIES OF FELIX FRANKFURTER. Edited by Joseph P. Lash. New York: Norton, 1975, 366 pp. $12.50.

This volume opens with a 98-page biographical essay, mingling admiration and criticism. The diary selections cover the years 1943–47, with a few fragments from earlier years, and are valuable both for an understanding of Frankfurter's strong

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opinions and as a source for who said what about whom in wartime and early postwar Washington.

THE REAFFIRMATION OF REPUBLICANISM: EISENHOWER AND THE EIGHTY-THIRD CONGRESS. By Gary W. Reichard. Knoxville: University of Tennessee Press, 1975, 303 pp. $14.95.

This careful study demonstrates that President Eisenhower was an effective leader of congressional Republicans and that he adhered to a traditional conservatism in domestic affairs rather than a new Republican liberalism.

THROUGH RUSSIAN EYES: AMERICAN-CHINESE RELATIONS. By S. Sergeichuk. Arlington (Va.): International Library, 1975, 220 pp. $11.95.

A pseudonymous but official government-line analysis. The historical narrative is based on inadequate sources; the interest lies in the vehemence of the denunciation of Peking's role in the relationship. (A translation of *SShA I Kitai,* Moscow, 1973, 2nd, enl. ed.)

U.S. POLICY AND STRATEGIC INTERESTS IN THE WESTERN PACIFIC. By Yuan-li Wu. New York: Crane, Russak/St. Lucia: University of Queensland Press, 1975, 214 pp. $14.50 (Paper, $7.50).

An assessment of American policy during the six years of the Nixon presidency, particularly valuable for material on Asian perceptions and reactions.

THE UNITED STATES AND BRITAIN. By H. G. Nicholas. Chicago: University of Chicago Press, 1975, 195 pp. $10.00.

A graceful contribution by a distinguished British historian to a new series, "The United States in the World: Foreign Perspectives," with the emphasis on the American government's behavior as seen from a British viewpoint. The British side is less adequately treated.

U.S. POLICY TOWARD AFRICA. Edited by Frederick S. Arkhurst. New York: Praeger, 1975, 259 pp. $16.50 (Paper, $6.95).

These papers, delivered at a conference sponsored by the Phelps-Stokes Fund, describe and deplore the bad and worsening relations between the American and African governments. The broad conclusion of the volume is that there is no hope for improvement without a radical shift in American policy toward South Africa.

CHARLES A. BEARD AND AMERICAN FOREIGN POLICY. By Thomas C. Kennedy. Gainesville: University of Florida Press, 1975, 199 pp. $8.50.

Charles Beard (1874–1948) was one of the most prolific, influential, and controversial American historians of the first half of the twentieth century. This excellent study traces the development of Beard's vehement critique of American foreign policy in general and that of Franklin D. Roosevelt in particular.

THE MAKING OF THE DIPLOMATIC MIND: THE TRAINING, OUTLOOK, AND STYLE OF UNITED STATES FOREIGN SERVICE OFFICERS, 1908–1931. By Robert D. Schulzinger. Middletown (Conn.): Wesleyan University Press, 1975, 237 pp. $15.00.

A subtle study of the currents of thought, policy, and special interest which produced reforms in the Foreign Service under the Rogers Act of 1924. The book is an example of how good historical research has revised the old cliché of the 1920s as a period of sterile, thoughtless isolationism.

VICTORS DIVIDED: AMERICA AND THE ALLIES IN GERMANY, 1918–1923. By Keith L. Nelson. Berkeley: University of California Press, 1975, 441 pp. $20.00.

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Many general histories leave the erroneous impression that the rejection of the Versailles Treaty by the U.S. Senate in 1919–20 ended American involvement in European politics. Not so, as this excellent study of the role of American occupation troops in Germany demonstrates. The last U.S. troops withdrew in January 1923.

A THEORY OF PUBLIC BUREAUCRACY: POLITICS, PERSONALITY, AND ORGANIZATION IN THE STATE DEPARTMENT. By Donald P. Warwick. Cambridge: Harvard University Press, 1975, 252 pp. $12.00.

As a genre, the bureaucratic study is too often tedious reading. This work is a sprightly exception. It avoids reliance on quantitative surveys (which frequently mean less than meets the eye) and is well attuned to the political context of bureaucracy—including the specific politics which influenced this study.

PEOPLE VS. GOVERNMENT: THE RESPONSIVENESS OF AMERICAN INSTITUTIONS. Edited by Leroy N. Rieselbach. Bloomington: Indiana University Press, 1975, 374 pp. $15.00.

Some excellent essays on the presidency, Congress, the Supreme Court, the Federal bureaucracy, state and local governments, the military, and the police. The conclusions are generally bleak: institutions are responsive to special interests rather than to the general welfare and are hampered by antiquated structures.

THE UNITED STATES: A STUDY OF A DEVELOPING COUNTRY. By Ira Sharkansky. New York: McKay, 1975, 187 pp. $8.95 (Paper, $3.95).

Emphasizing the presence of less-developed sectors within the United States, "poor states, urban enclaves, the black nation," the author disagrees with those who wish to stop economic growth, and urges that growth, on balance, will improve the plight of the poor.

THE PRESIDENT. By John Hersey. New York: Knopf, 1975, 153 pp. $6.95.

The author spent a week observing President Ford and listening to every discussion, except on subjects relating to foreign affairs. He writes with a journalist's concern for accurate detail and a novelist's sensitivity to symbol and nuance. The book appeared in April 1975 as an entire issue of *The New York Times Magazine*.

The Western Hemisphere

Robert D. Crassweller

DIEFENBAKER: LEADERSHIP GAINED, 1956–62. By Peter Stursberg. Toronto: University of Toronto Press, 1975, 278 pp. $15.00.

This is a good book for two reasons: first, it is a fascinating contribution to recent Canadian political history; second, it is a model for the presentation of oral history. Most of the text consists of the tape-recorded comments of Canadian politicians of the John Diefenbaker era.

CANADIAN-AMERICAN RELATIONS IN WARTIME: FROM THE GREAT WAR TO THE COLD WAR. By R. D. Cuff and J. L. Granatstein. Toronto: Hakkert, 1975, 205 pp.

An original and stimulating history based on many unpublished sources, particularly good for its attention to the neglected experience of World War I. The authors are critical of Canadian as well as American policies.

ACTION FRANÇAISE: FRENCH CANADIAN NATIONALISM IN THE TWENTIES. By Susan Mann Trofimenkoff. Toronto: University of Toronto Press, 1975, 157 pp. $10.95.

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A readable account of historian-abbé Lionel Groulx and the political-intellectual group which he led. The literature on Canadian nationalism needs to be nourished with historical studies such as this one.

REVOLUTION IN CUBA: AN ESSAY IN UNDERSTANDING. By Herbert L. Matthews. New York: Scribners, 1975, 468 pp. $15.00.

Despite his acknowledgment of flaws and failures in Castro's regime, which he accurately defines in this interesting and well-written account as "a variation of totalitarianism," the author's enthusiasm for the Cuban experiment retains all its original sparkle. Perhaps his fondness for social revolution—"a rare and enthralling phenomenon to watch"—furnishes a partial explanation.

THE POLITICS OF OIL IN VENEZUELA. By Franklin Tugwell. Stanford: Stanford University Press, 1975, 210 pp. $8.95.

A competent, scholarly account of the interaction of the Venezuelan government and the large foreign oil companies. An interesting conclusion: in Venezuela "democracy is unquestionably growing stronger . . . and there can be little doubt that oil income has contributed to this process."

THE BLACK BOOK OF AMERICAN INTERVENTION IN CHILE. By Armando Uribe. Boston: Beacon Press, 1975, 163 pp. $9.95 (Paper, $3.95).

A Chilean diplomat sympathetic to the Allende regime, which he served as Ambassador to Peking, presents his version of the fall of the Popular Unity government. The tone is shrill.

LATIN AMERICAN FOREIGN POLICIES: AN ANALYSIS. By Harold Eugene Davis, Larman C. Wilson, and others. Baltimore: Johns Hopkins University Press, 1975, 470 pp. $18.00 (Paper, $5.95).

Recognized authorities cover basic aspects of foreign policy, its antecedents, its relationship to domestic factors, and implementation, in 21 chapters. Fifteen of these are devoted to individual Latin American countries and the balance consider specialized or region-wide topics.

FRONTIERS IN THE AMERICAS: A GLOBAL PERSPECTIVE. By Jorge Mañach. New York: Teachers College Press, 1975, 108 pp. $8.50 (Paper, $4.50).

The author is a Cuban, with wide experience in the U.S. and with profound knowledge of the North and South American cultures whose histories, qualities, and "frontiers" he details in this stimulating analysis. A small book, with large merits.

LATIN AMERICA IN THE YEAR 2000. Edited by Joseph S. Tulchin. Reading (Mass.): Addison-Wesley, 1975, 391 pp. $10.95.

Undaunted by the inscrutability of the current scene, 17 scholars, including some of the most noted contemporary Latin Americanists, attempt to visualize the future in such diverse areas as sociology, politics, demography, and ideology.

ECONOMIC POLICYMAKING IN A CONFLICT SOCIETY: THE ARGENTINE CASE. By Richard D. Mallon, in collaboration with Juan V. Sourrouille. Cambridge: Harvard University Press, 1975, 264 pp. $16.00.

In confronting the Argentine conundrum from yet another angle of approach, the authors employ macroeconomic analysis, with particular reference to stabilization policies and balance-of-payments issues. For economists and specialists in development.

THE NATION-STATE AND TRANSNATIONAL CORPORATIONS IN CONFLICT, WITH SPECIAL REFERENCE TO LATIN AMERICA. Edited by Jon P. Gunnemann. New York: Praeger, 1975, 242 pp. $17.50.

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The proceedings, dialogues, and statements generated at a consultation in Aspen, Colorado, in September 1973, under the sponsorship of the Council on Religion and International Affairs. The participants included corporate, academic, and church representatives.

THE UNITED STATES AND MILITARISM IN CENTRAL AMERICA. By Don L. Etchison. New York: Praeger, 1975, 150 pp. $14.00.

A summary treatment of the armed forces and related matters in Panama and the other countries of the isthmus, together with brief accounts of U.S. policy concerning military aspects under the Kennedy, Johnson, and Nixon Administrations.

Western Europe

Fritz Stern

THE IMPACT OF HITLER: BRITISH POLITICS AND BRITISH POLICY, 1933–1940. By Maurice Cowling. New York: Cambridge University Press, 1975, 561 pp. $42.50.

A major effort at reinterpretation, trying to set British policy toward Hitler almost entirely in the context of party politics. Using new material, the author, a well-known British historian, questions the imperative of British resistance to Hitler—and thus the heroism of Churchill—and suggests that Chamberlain's policy had much to commend it. According to this controversial and difficult work, Halifax "is not the man who stopped the rot, but the embodiment of Conservative wisdom who decided that Hitler must be obstructed because Labour could not otherwise be resisted."

THE POLITICAL ECONOMY OF NORTH SEA OIL. By D. I. MacKay and G. A. Mackay. London: Martin Robertson, 1975, 193 pp. £4.95 (Paper, £2.35).

Two Scottish economists analyze the likely costs and revenues of Britain's oil fields in the North Sea and argue strongly that the revenues should not accrue to London, but in considerable part to Scotland, which has long been impoverished and which otherwise would benefit only incidentally from North Sea oil.

THE FIRST INDOCHINA WAR: FRENCH AND AMERICAN POLICY 1945–54. By R. E. M. Irving. London: Croom Helm, 1975, 169 pp. (New York: Crane, Russak, distributor, $11.50).

A misleading title for a fine and fair-minded study focusing on French politics during the war that ended in 1954. The author's principal concern is with Bidault's party, the MRP, and with other French parties, though the succinct judgments of Vietnamese conditions and of American policies, especially those of John Foster Dulles, make this an altogether valuable account.

EUROPE FROM BELOW: AN ASSESSMENT OF FRANCO-GERMAN POPULAR CONTACTS. By John E. Farquharson and Stephen C. Holt. London: Allen & Unwin, 1975, 218 pp. £6.00.

The many contacts between French and German citizens, some facilitated by government agreements and policies, others developing autonomously, and almost all contributing in some measure to the reconciliation of the two peoples that had known each other better in wars than in peace. A useful study that views the Franco-German experience as a possible model for Europe and that touches on a range of topics from *Astérix* to economics.

POLITICAL VIOLENCE UNDER THE SWASTIKA: 581 EARLY NAZIS. By Peter H. Merkl. Princeton: Princeton University Press, 1975, 735 pp. $30.00 (Paper, $10.75).

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An American political scientist, who has written extensively on contemporary Germany, reexamines the 581 autobiographical statements by veteran Nazis, originally submitted in 1934 in response to a competition organized by a Columbia University sociologist. Using quantitative methods and ably supplementing these with common-sense observations drawn from existing literature, the author gives a fuller picture of what psychological and sociological reasons prompted these Germans to become Nazis. An interesting work.

THE WARTIME ALLIANCE AND THE ZONAL DIVISION OF GERMANY. By Tony Sharp. New York: Oxford University Press, 1975, 220 pp. $19.25.

A detailed study of the intricate negotiations among and within the Allied states concerning the demarcation of zones in Germany. The study, based in part on new evidence from the British Cabinet Papers, sets the political discussion against the military realities of the time and reveals the many incidental worries that conditioned planning, such as Britain's concern about an early American withdrawal from the Continent. A fine monograph.

AUSTRO-GERMAN RELATIONS IN THE ANSCHLUSS ERA. By Radomír Luža. Princeton: Princeton University Press, 1975, 438 pp. $20.00.

A scholarly examination, based largely on new material, of the nature and impact of German rule on Austria, particularly on its economy and sense of identity. The authors suggest that the Anschluss unwittingly hastened the modernization of Austria and promoted a sense of cohesion which bolstered the present Republic.

THE DISTORTED IMAGE: GERMAN JEWISH PERCEPTIONS OF GERMANS AND GERMANY, 1918–1935. By Sidney M. Bolkosky. New York: Elsevier, 1975, 247 pp. $10.95.

A disappointingly thin essay on a subject of fundamental and symptomatic importance.

OPERATION OGRO: THE EXECUTION OF ADMIRAL LUIS CARRERO BLANCO. By Julen Agirre. New York: Quadrangle/The New York Times Book Company, 1975, 196 pp. $8.95.

In December 1973, the car of Admiral Carrero Blanco, Franco's political heir, was blown up. In this collective interview, the four avowed killers, members of the Basque nationalist movement, recall the meticulous planning of this operation. A gripping story, translated and ably introduced by a well-known American novelist and writer, Barbara Probst Solomon. The moral ambiguity of the entire episode is something the reader must deal with.

VIOLENCE IN ULSTER: AN ORAL DOCUMENTARY. By W. H. Van Voris. Amherst: University of Massachusetts Press, 1975, 326 pp. $12.50.

An intelligent and absorbing use of oral history, by an American academic who interviewed hundreds of participants in the struggle in Ulster. The book confirms the lament of a British major: "It's a terrible task, trying to undo 300 years of history in almost a year or so."

REVOLUTIONARY IN IRELAND. By Seán MacStiofáin. London: Gordon Cremonesi, 1975, 372 pp. (New York: Atheneum, distributor, $11.95).

Autobiographical reflections of a former chief of staff of the Provisional Irish Republican Army, who joined the Republican movement in 1949. Throws a revealing light on the movement, on the struggle between Marxists and non-Marxists, and on one of its principal leaders who here recounts his experiences in prison, alternating with his exploits in violence.

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SCANDINAVIA. By Franklin D. Scott. Cambridge: Harvard University Press, 1975, 330 pp. $15.00.

A highly informative survey of the five Scandinavian countries, their past, their present political and economic realities, and their international ties. The author is a leading historian of the northern countries, and this is an entirely recast version of his 1950 contribution to the distinguished American Foreign Policy Library series, *The United States and Scandinavia.*

KLEINE GESCHICHTE DES ÖSTERREICHISCHEN STAATSVERTRAGES: MIT DOKUMENTENTEIL. By Gerald Stourzh. Graz: Verlag Styria, 1975, 255 pp. Schillings 250.

A leading Austrian historian presents an analysis of the diplomatic conditions and negotiations that made the Austrian State Treaty of 1955 possible and that ended the Allied occupation of Austria, leaving it a free, neutral country. A significant contribution, with the principal focus on Austrian response to the change in Soviet aims.

ITALIAN FOREIGN POLICY, 1870–1940. By C. J. Lowe and F. Marzari. Boston: Routledge & Kegan Paul, 1975, 476 pp. $39.00.

A lucid account, with due attention to the role of personalities and deeper political and economic issues. Italian diplomacy was often extravagant—out of penury—and so is the price of this authoritative study.

ITALY IN THE 1970s. By John Earle. North Pomfret (Vt.): David & Charles, 1975, 208 pp. $15.95.

A quick, informative summary of deteriorating Italian conditions and prospects, by a resident English reporter.

DIE OSTPOLITIK DES VATIKANS: 1917–1915. By Hansjakob Stehle. Munich: Piper, 1975, 487 pp. DM. 39.50.

A summary of Vatican policies toward the U.S.S.R. from 1917 to the present, by a veteran West German journalist with years of experience in Eastern Europe and in Rome. The book brings some new material and affords a better understanding of the Vatican's mode of thought and actions, as well as of the broader question of how the West responded to the Soviet challenge.

IN SEARCH OF EUROPE: PORTRAITS OF THE NON-COMMUNIST WEST. By Guido Piovene. New York: St. Martin, 1975, 342 pp. $12.50.

A well-known Italian journalist, who died in November 1974, collected his vivid impressions of Western Europe in the early 1970s. One chapter per country, full of aperçus and often pained reflections by a conservative who is angered at Europe's fashionable self-depreciation: "This European contrition disgusts me even more than the colonialism for which I am supposed to do penance."

MEZHDUNARODNYE OTNOSHENIIA V ZAPADNOI EVROPE. Edited by D. E. Melnikov. Moscow: "Mezhdunarodnye Otnosheniia," 1974, 302 pp. Rubles 1.52.

Soviet experts on Western Europe describe the fortunes of EEC, NATO, the London-Paris-Bonn "triangle," and the special problems of northern and southern Europe. Mostly standard stuff but revealing of increased Soviet understanding of European realities. *J.C.C.*

THE MANDARINS OF WESTERN EUROPE: THE POLITICAL ROLE OF TOP CIVIL SERVANTS. Edited by Mattei Dogan. Beverly Hills (Calif.): Sage/New York: Halsted Press, 1975, 314 pp. $17.50.

Uneven essays by European political scientists on a major issue of contemporary politics. The essays, informed but not always readable, deal with individual West

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European countries, with chapters also on elite rotation in Yugoslavia and on the functional equivalents of top civil servants in Poland.

EEC POLICY TOWARDS EASTERN EUROPE. Edited by Ieuan G. John. Westmead, Farnborough (Hants.): Saxon House/Lexington (Mass.): Lexington Books, 1975, 149 pp. £5.50.

A collection of essays, originally written for a conference of leading scholars in October 1973, and subsequently revised. A useful starting point for an examination of the difficult issues implicit in the title.

EUROPE IN QUESTION: THEORIES OF REGIONAL INTERNATIONAL INTEGRATION. By Reginald J. Harrison. New York: New York University Press, 1975, 256 pp. $10.95.

A critique of current theories of regional integration and an analysis of other topics, such as U.S. policy toward Europe, and the role of central institutions. A somewhat disparate, uneven work, useful for students and specialists.

The Soviet Union and Eastern Europe

John C. Campbell

TROTSKY: AN APPRECIATION OF HIS LIFE. By Joel Carmichael. New York: St. Martin, 1975, 512 pp. $15.00.

AVOCAT DE TROTSKY. By Gérard Rosenthal. Paris: Laffont, 1975, 330 pp. Fr. 39.

Carmichael's new, expansive, and swiftly moving life story of Trotsky, while not replacing that by Isaac Deutscher, is a sympathetic and critical portrait of his career, personality, and character rather than an analysis of his thought and works. Living on theories, and thus on illusions, his exile and death have the inevitability of classic tragedy. The rather slight book by Rosenthal, who was Trotsky's secretary and lawyer, adds interesting material on the years of exile.

STALINISM AND AFTER. By Alec Nove. London: Allen & Unwin, 1975, 205 pp. (New York: Crane, Russak, distributor, $7.50, Paper).

Nove's solid credentials as an expert on the Soviet economy and society warrant a respectful reading of this personal and philosophical essay on Stalin's character and place in history, the nature of Stalinism, and the preservation of the basic structure under the "unique" Khrushchev and the duller Brezhnev.

THE GULAG ARCHIPELAGO, 1918–1956: AN EXPERIMENT IN LITERARY INVESTIGATION, III–IV. By Aleksandr I. Solzhenitsyn. New York: Harper & Row, 1975, 712 pp. $15.00 (Paper, $2.50).

Solzhenitsyn here completes his powerfully written description of the horrors of the labor camps, that "stinking damp world in which only executioners and the most blatant of betrayers flourished."

THE ROAD TO STALINGRAD: STALIN'S WAR WITH GERMANY, VOLUME 1. By John Erickson. New York: Harper & Row, 1975, 594 pp. $25.00.

An eminent British expert on the Soviet military carries the story of the war on the eastern front from its origins to the surrounding of General Paulus' army in late 1942. Drawing on a great mass of material from both sides, he looks at the campaign primarily from the Soviet side. Heavy with detail, but still a model of military history.

THE ILLUSION: SOVIET SOLDIERS IN HITLER'S ARMIES. By Jürgen Thorwald. New York: Harcourt Brace Jovanovich, 1975, 342 pp. $12.50.

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The story of the Vlasov army and how it was handled, and mishandled, by the German authorities and then by the Western Allies.

ANTIRELIGIOUS PROPAGANDA IN THE SOVIET UNION: A STUDY OF MASS PERSUASION. By David E. Powell. Cambridge: MIT Press, 1975, 206 pp. $25.00.

An intensive inquiry into the aims and methods of *agitprop* in the half-century of effort to eradicate religion. The campaign continues despite its obvious failure as a means of creating the "New Soviet Man."

MY COUNTRY AND THE WORLD. By Andrei D. Sakharov. New York: Knopf, 1975, 109 pp. $5.95 (Paper, $1.65).

A sequel to the dissident scientist's earlier essays (*Sakharov Speaks,* reviewed in *Foreign Affairs,* October 1974), written "under conditions of growing tension" and touching on developments in Soviet society and in international relations.

SOVIET-CHINESE RELATIONS, 1945–1970. By O. B. Borisov and B. T. Koloskov. Edited by Vladimir Petrov. Bloomington: Indiana University Press, 1975, 364 pp. $12.50.

A translation of a book by two Soviet experts published in the Soviet Union in 1971, this detailed study of the conflict from the Soviet viewpoint is extremely valuable both for its description of anti-Soviet tendencies in China before 1960 and for its account of the "open struggle" thereafter.

SOVIET SCHOLARS AND SOVIET FOREIGN POLICY: A CASE STUDY IN SOVIET POLICY TOWARDS INDIA. By Richard B. Remnek. Durham (N.C.): Carolina Academic Press, 1975, 343 pp. $11.00.

With copious citations and summaries of articles from specialized journals, the author documents his thesis that Soviet scholars have moved away from simplistic ideological justifications and distortions toward practical economics in describing India and the Third World, and notes the evolution of policy in the same direction.

SILK GLOVE HEGEMONY: FINNISH-SOVIET RELATIONS, 1944–1974. By John P. Vloyantes. Kent (O.): Kent State University Press, 1975, 208 pp. $10.00.

A perceptive study, based largely on material from the Finnish side, of the "soft sphere" policy, in which Soviet restraint has been matched by the requirement for the type of leadership in Finland provided by Paasikivi and Kekkonen.

SOVIET FOREIGN POLICY, 1962–1973: THE PARADOX OF SUPER POWER. By Robin Edmonds. New York: Oxford University Press, 1975, 197 pp. $12.50.

Essentially this book by a British diplomat (who served as Minister in Moscow in 1969–71) is a careful and judicious description, year by year and area by area, of the policy of military buildup and détente diplomacy. As of now, the best book on the subject.

MODERNIZATION IN ROMANIA SINCE WORLD WAR II. By Trond Gilberg. New York: Praeger, 1975, 261 pp. $17.50.

By its wealth of data and encyclopedic treatment this book rates high in reference value and low in readability. Though the author may take the regime and its achievements too much at face value, he does point out many of its weaknesses and problems.

CONTEMPORARY ROMANIA: HER PLACE IN WORLD AFFAIRS. By Ion Ratiu. Richmond (Sussex): Foreign Affairs Publishing Company, 1975, 138 pp. £3.00/U.S. $8.00.

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A sharply etched portrait of Romania as an absolute dictatorship (Ceausescu's) and a vassal state (Russia's). Basically a political tract, it is nevertheless written with honesty and a firm faith in the traditional national culture of the Romanians.

PARTS OF A LIFETIME. By Milovan Djilas. Edited by Michael and Deborah Milenkovitch. New York: Harcourt Brace Jovanovich, 1975, 442 pp. $15.00.

An anthology of Djilas' writings, many from not easily accessible publications and some, including excerpts from his jail diary, previously unpublished.

ALBANIA AND THE ALBANIANS. By Ramadan Marmullaku. Hamden (Conn.): Archon Books, 1975, 178 pp. $12.50.

Books on Albania being a rarity these days, this one, written by a Yugoslav official of Albanian ethnic origin, is doubly welcome for its information on the Hoxha regime and for the light it throws on Yugoslav-Albanian relations.

The Middle East and North Africa

John C. Campbell

IRAN'S FOREIGN POLICY, 1941–1973: A STUDY OF FOREIGN POLICY IN MODERNIZING NATIONS. By Rouhollah K. Ramazani. Charlottesville: University Press of Virginia, 1975, 507 pp. $20.00.

A worthy sequel to the author's earlier (1966) solid volume covering the period up to World War II, this survey gives an overall view which demonstrates the consistency of Iranian policy through its various phases, and which also, in its attention to detail, throws a searchlight on many hitherto obscure episodes of Middle East diplomacy.

BEHIND THE MIDDLE EAST CONFLICT: THE REAL IMPASSE BETWEEN ARAB AND JEW. By Gil Carl AlRoy. New York: Putnam, 1975, 317 pp. $9.95.

At the base of the conflict, according to AlRoy, lie the misperceptions that Arabs and Jews have of each other, and that outsiders have of both. He scorns the mechanistic approach of Western diplomacy and sees hope only in a federative solution giving both sides the semblance of what they want.

ARABS AND ISRAELIS: A DIALOGUE. By Saul Friedländer and Mahmoud Hussein. New York: Holmes & Meier, 1975, 223 pp. $12.95.

An Israeli historian and two Egyptian leftists (using a single pseudonym), during three days of lively debate, probe the fundamentals of the perennial Arab-Israeli dispute with historical breadth and full candor.

THE WEST BANK—IS IT VIABLE? By Vivian A. Bull. Lexington (Mass.): Lexington Books, 1975, 170 pp. $14.00.

An economist with long Middle East experience argues that a "Palestinian region," federated neither with Israel nor with Jordan but maintaining economic ties with all states of the region, would be the most feasible solution for the future development of the West Bank.

THE ARAB MIND CONSIDERED: A NEED FOR UNDERSTANDING. By John Laffin. New York: Taplinger, 1975, 190 pp. $8.95 (London: Cassell, 1975, 180 pp. £3.25).

A sometimes insightful but often naïve treatment of the manners and mentality of the Arabs, unlikely to do much for the "understanding" called for by the subtitle.

MY LIFE. By Golda Meir. New York: Putnam, 1975, 480 pp. $12.50.

Stage by enthusiastic stage, this large-scale autobiography carries Mrs. Meir from

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girlhood in Russia through the years in America, the struggle for an independent Israel and its formative years, to the ordeal of the Yom Kippur War and its aftermath. She reveals here her deep regret over not having put aside the conclusions of her military experts and called up the reserves in time to meet the Arab attack of October 6, 1973.

EGIPET VREMIA PREZIDENTA NASERA. By I. L. Beliaev and E. M. Primakov. Moscow: Mysl', 1974, 399 pp.

Two prominent and influential Soviet experts on the Middle East write a detailed and informative study of Egypt in the Nasser era. They stress internal reform and emancipation from imperialism and capitalism, but do not dodge such questions as relations between "national democrats" and Marxists.

LA VÉRITABLE CRISE DE SUEZ: FIN D'UNE GRANDE OEUVRE DU XIX^{e} SIÈCLE. By Jacques Georges-Picot. Paris: Éditions de la Revue Politique et Parlementaire, 1975, 337 pp. Fr. 42.

The former Director-General of the Suez Canal Company reveals his side of the story of the nationalization of July 1956 and his efforts to pick up the pieces. He is sharply critical of the big banks and insurance companies as well as the governments of France, Britain, and the United States.

FROM ENCROACHMENT TO INVOLVEMENT: A DOCUMENTARY STUDY OF SOVIET POLICY IN THE MIDDLE EAST, 1945–1973. By Yaacov Ro'i. New York: Halsted Press, 1975, 616 pp. $26.75.

The most important documents and commentaries covering almost three decades of Soviet policy, laid out in chronological order and linked by extensive notes by the editor, placing them in historical context.

THE ECONOMIC STRUCTURE OF THE MIDDLE EAST. By Z. Y. Hershlag. Leiden: Brill, 1975, 347 pp. Gldrs. 125.

Building on his earlier work, Hershlag gives a composite picture of the Middle East economy (including Israel) that is both broad in scope and rich in detail, straddling rather successfully the dilemma of the topical versus the country approach. He shows how a "dual" economy has emerged with the growing inequality of nations consequent on the oil boom.

South and Southeast Asia

Lewis C. Austin

INDIA, PAKISTAN, BANGLADESH, AND THE MAJOR POWERS: POLITICS OF A DIVIDED SUBCONTINENT. By G. W. Choudhury. New York: Free Press, 1975, 276 pp. $13.95.

Choudhury's perceptive book deplores the twin tendencies toward nuclear armament and impoverishment on the subcontinent, but he sees little hope for a reversal of the trend as long as the area's politics are complicated by great-power rivalries and India's quest for a "North American"-style hegemonic solution.

UNEQUAL PARTNERS: PHILIPPINE AND THAI RELATIONS WITH THE UNITED STATES, 1965–75. By W. Scott Thompson. Lexington (Mass.): Lexington Books, 1975, 183 pp. $13.50.

A wise, ironic, and perceptive book, which traces the strategies by which minnows coexist with whales. Thompson concludes, inter alia, that democratic regimes are better at foreign policy than lazy autocratic ones, but not as good as purposeful autocracies. Democracies, further, have one great advantage in international bargaining: since

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more interest groups have to be satisfied in any deal, the country as a whole gets a bigger quid for its quo.

THE NEUTRALIZATION OF SOUTHEAST ASIA. By Dick Wilson. New York: Praeger, 1975, 206 pp. $16.50.

Is formal neutralization, as proposed by Tun Abdul Razak of Malaysia, a solution for Southeast Asia's problems? No, concludes the author, so long as irredentist claims set local states at odds, and a shifting balance of advantage leads the external powers to hopes for future aggrandizement.

ELECTORAL POLITICS IN AN EMERGENT STATE: THE CEYLON GENERAL ELECTION OF MAY 1970. By A. Jeyaratnam Wilson. New York: Cambridge University Press, 1975, 240 pp. $21.00.

Democratic political systems educate the populace to political realities but are impotent to satisfy the popular demands that result. This is the lesson of Wilson's exhaustive study of one of the most democratic—and one of the most troubled—of the Asian states.

POLITICS AND MODERNIZATION IN SOUTH AND SOUTHEAST ASIA. Edited by Robert W. Kearney. Cambridge: Schenkman, 1975, 277 pp. (New York: Halsted Press, distributor, $15.00; Paper, $6.50).

This rather uneven volume of essays deals separately with India, Pakistan, Bangladesh, Malaysia, Thailand, and Indonesia. Few unifying themes emerge except the difficulty of reconciling an increasingly politicized populace to increasing economic inequality.

PEASANT SOCIETY IN A CHANGING ECONOMY: COMPARATIVE DEVELOPMENT IN SOUTHEAST ASIA AND INDIA. By George Rosen. Urbana: University of Illinois Press, 1975, 256 pp. $8.95.

Increasing population makes industrialization imperative in Asia. But industrialization destroys the peasant values and the patron-client bonds that give life meaning for the traditional populace. This penetrating comparative study of India, Indonesia, Thailand, and the Philippines concludes that unless governments can cope with the problems of labor-intensive and non-disruptive industrialization, revolution on either the Chinese or the Mexican model is a likely outcome.

POPULATION AND DEVELOPMENT IN SOUTHEAST ASIA. Edited by John F. Kantner and Lee McCaffrey. Lexington (Mass.): Lexington Books, 1975, 323 pp.

Fifteen papers from seminars chaired by Irene Taeuber present a chaotic mélange of questions without answers and problems without solutions. The only certainty that emerges is that present rates of population growth and urbanization in the area cannot go on; whether the trend will be halted by social reform or, to use the words of the chairperson, "conflict," "cataclysm," "disintegration," and increased mortality rates is unresolved.

East Asia and the Pacific

Lewis C. Austin

THE CHINESE CALCULUS OF DETERRENCE: INDIA AND INDOCHINA. By Allen S. Whiting. Ann Arbor: University of Michigan Press, 1975, 299 pp. $15.00.

Whiting combs through recent Chinese military history in search of the underlying principles of action, and finds Chinese policy to be rational; willing to use force but also willing to sacrifice military to political interests; concerned primarily with China's territorial integrity; and stable over time.

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DIE AUSSENPOLITIK CHINAS: ENTSCHEIDUNGSSTRUKTUR STELLUNG IN DER WELT BEZIEHUNGEN ZUR BUNDESREPUBLIK DEUTSCHLAND. By Franz Ansprenger and others. Munich: Oldenbourg (for the Deutsche Gesellschaft für Auswärtige Politik), 1975, 463 pp. DM. 59.

A work which offers a thoroughly researched vision of Chinese policies from a West European standpoint. The authors conclude that Germany, like Japan, is placed in a position of considerable influence on China; the temptation to abuse that position by playing one of the two giant communist powers against the other should be avoided.

CHINA'S MODERN ECONOMY IN HISTORICAL PERSPECTIVE. Edited by Dwight H. Perkins. Stanford: Stanford University Press, 1975, 344 pp. $13.85.

An interesting collection of papers argues that Chinese historical experience and the Chinese cultural value system have facilitated economic growth—on the mainland, with its revolution, and equally in Hong Kong, Thailand, and Taiwan without one. (Ironically, it was only 15 years ago that the same factors were being used to explain the lack of development in China.)

CHINA'S ECONOMIC DEVELOPMENT: THE INTERPLAY OF SCARCITY AND IDEOLOGY. By Alexander Eckstein. Ann Arbor: University of Michigan Press, 1975, 399 pp. $16.50.

Professor Eckstein here collects his essays on the Chinese economy over the last 20 years and adds a postscript based on a short first-hand exposure to Chinese society. The latter, he remarks, strengthened his impression of high morale and commitment to equality, but falsified none of his earlier attempts at long-distance Sinology.

INSIDE MAO TSE-TUNG THOUGHT. By Yeh Ch'ing (Jen Tso-hsuan). Edited by Stephan Pan, T. H. Tsuan, and Ralph Mortensen. Hicksville (N.Y.): Exposition Press, 1975, 336 pp. $12.50.

An impassioned catalogue of inconsistencies and "dangers" in Maoist thought by an ex-colleague who was with Chou in Paris in 1921–24 and with Mao in Hunan in 1927. After his capture by the Kuomintang forces he became an ideological opponent of Maoism, and maintains that posture in this volume.

CHINESE TREATIES: THE POST-REVOLUTIONARY RESTORATION OF INTERNATIONAL LAW AND ORDER. By Gary L. Scott. Dobbs Ferry (N.Y.): Oceana/Leiden: Sijthoff, 1975, 312 pp. $22.50.

A quantitative study of Chinese treaty-making behavior leads to the conclusion that the People's Republic follows the normal practices of the status quo powers in its international obligations, and regards treaty commitments no less seriously than do more ideologically conservative nations.

JAPAN TODAY: PEOPLE, PLACES, POWER. By William H. Forbis. New York: Harper & Row, 1975, 463 pp. $12.95.

A fast-paced, chatty, and anecdotal introduction to Japanese life, Forbis' book would be good reading on the plane to Tokyo.

MODERN JAPANESE ORGANIZATION AND DECISION-MAKING. Edited by Ezra F. Vogel. Berkeley: University of California Press, 1975, 340 pp. $15.00.

A set of scholarly papers of unusually high quality, this collection contains penetrating analyses of the bargaining and power-trading process at every level of Japanese society. Some old clichés are demolished (the "weakness" of the Japanese leader, the unconcern for profit of Japanese business); others are explored in precise detail—"groupism" and elitism.

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THE MODERN JAPANESE MILITARY SYSTEM. Edited by James H. Buck. Beverly Hills (Calif.): Sage, 1975, 253 pp. $15.00 (Paper, $7.50).

This volume contains a number of useful papers on the role of the Japanese Self-Defense Forces. The authors' consensus is cautious and unsurprising: present role, minimal; future role, more of the same.

SAINTS AND SAMURAI: THE POLITICAL CULTURE OF THE AMERICAN AND JAPANESE ELITES. By Lewis Austin. New Haven: Yale University Press, 1975, 197 pp. $12.50.

How selected groups of Japanese and American businessmen responded to an interesting set of tests of their attitudes on authority and interpersonal relationships in a professional setting. Useful for understanding basic style differences, and for the author's essays on the implications in terms of the culture as a whole and for attitudes on foreign policy issues. *W.P.B.*

ISLAND OF DREAMS: ENVIRONMENTAL CRISIS IN JAPAN. By Norie Huddle and Michael Reich, with Nahum Stiskin. New York/Tokyo: Autumn Press, 1975, 351 pp. $4.95 (Paper).

The modern Japanese miracle economy is an experiment in brinkmanship: how far can the goal of production at all costs be pushed without catastrophic consequences to the public health? This well-researched and vividly detailed study delineates the brink.

DIVIDED KOREA: THE POLITICS OF DEVELOPMENT, 1945–1972. By Joungwon Alexander Kim. Cambridge: Harvard University Press, 1975, 471 pp. $8.50.

Both North and South Korea have moved since independence toward a high literacy rate; toward increasing urbanization; and from postwar impoverishment to per capita incomes—at the beginning of the 1970s—of over U.S. $200. The author argues that the North, for a variety of reasons, has established a relatively stable polity; the South has not.

THE LAST EMPEROR. By Arnold C. Brackman. New York: Scribners, 1975, 360 pp. $12.50.

Henry P'u Yi, the last of the Manchu emperors, was destined to spend his life as the pawn of imperial diplomacy—Japanese, Russian, and Chinese, in that order. His biography is rich in the exotic and the fascinating-decadent, and his biographer makes the most of it in a model of popular history.

THE STRATEGIC LAND RIDGE: PEKING'S RELATIONS WITH THAILAND, MALAYSIA, SINGAPORE, AND INDONESIA. By Yuan-li Wu. Stanford: Hoover Institution Press, 1975, 97 pp. $5.95.

Wu sees the four countries of the subtitle as forming the arena for a quadrilateral great-power confrontation. He deplores, therein, Peking's energy, Washington's lassitude, Tokyo's ambivalence, and Moscow's ambitions.

Africa

Jennifer Seymour Whitaker

CORPORATE POWER IN AN AFRICAN STATE: THE POLITICAL IMPACT OF MULTINATIONAL MINING COMPANIES IN ZAMBIA. By Richard L. Sklar. Berkeley: University of California Press, 1975, 245 pp. $12.00.

In this careful and intelligent analysis of the evolving relationship between an LDC host and its multinationals, Zambian nationalism is seen to be entirely compatible with the development of an elite class whose interests coincide with those of international capitalism; although the corporations have adapted smoothly to the expressed policies

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of the host government, their partnership with local bourgeoisie are shown to have had a profound influence on the shape of the polity.

SOLDIERS AND KINSMEN IN UGANDA: THE MAKING OF A MILITARY ETHNOCRACY. By Ali A. Mazrui. Beverly Hills (Calif.): Sage, 1975, 325 pp. $15.00.

Always interesting, though not always convincing, this group of essays ranges over Uganda's past (largely the Obote era) and present, African tradition and modern reassertions of it. Mazrui's rather fascinating brief for Amin as a military populist and reincarnation of the African warrior-leader omits a good deal.

POLITICS, BUREAUCRACY AND RURAL DEVELOPMENT IN SENEGAL. By Edward J. Schumacher. Berkeley: University of California Press, 1975, 279 pp. $18.75.

Testing the relevant theoretical perspectives against a seemingly inexhaustible knowledge of the Senegalese state and party, Schumacher persuasively asserts that the strength of machine party politics has been one factor inhibiting the government's implementation of its early socialist goals.

THE GEOGRAPHY OF MODERN AFRICA (Second Edition). By William A. Hance. New York: Columbia University Press, 1975, 657 pp. $17.50.

Hance's outstanding study (first published in 1964) has now been fully revised, with a new epilogue on development problems and potentials as well as new maps and illustrative material, and statistical data updated to the early 1970s.

ETHIOPIA: THE COUNTRY THAT CUT OFF ITS HEAD. A DIARY OF THE REVOLUTION. By Blair Thomson. London: Robson Books, 1975, 159 pp. £1.10 (Paper).

A British journalist reports from the thick of it on Addis' successive coups of 1974; what might have been a revolution, he feels, became mindless chaos with the November assassination of virtually the entire elite of the country.

BLACK ZION: AFRICA, IMAGINED AND REAL, AS SEEN BY TODAY'S BLACKS. By David Jenkins. New York: Harcourt Brace Jovanovich, 1975, 284 pp. $10.95.

According to this perceptive and extremely entertaining work on the black return to Africa, from the 18th century to the present, it seems at best difficult to go home again.

GRASS ROOTS IN AN AFRICAN CITY: POLITICAL BEHAVIOR IN NAIROBI. By Marc Howard Ross. Cambridge: MIT Press, 1975, 169 pp. $19.50.

Political attitudes and participation among one of Africa's last important urban "electorates" indicate the reinforced importance of ethnicity. Easy reading social science.

THE BLACK SASH OF SOUTH AFRICA: A CASE STUDY IN LIBERALISM. By Cherry Michelman. New York: Oxford University Press (for the Institute of Race Relations, London), 1975, 198 pp. $18.25.

An account of the evolution of Black Sash from a mass middle-class organization concerned with the survival of parliamentary democracy into a cadre of about 1,200 white women self-exiled to the fringes of their society by their advocacy of racial integration. Candid about the women's ambiguous position vis-à-vis black racial consciousness, and objective about both their moral victories and political defeats.

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SOURCE MATERIAL

By Donald Wasson

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Errata: October 1975 issue of *Foreign Affairs,* p. 62, l. 11, omit "ten."

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